The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

September 3, 1938

White Russian Persecution

AN EDITORIAL

★

U. S.-Japan Trade 'Profit'

★

War in Europe?

★

Exodus to Southwest China!

BY C. Y. W. MENG

★

Terms For Orient Peace

A LETTER TO THE EDITOR

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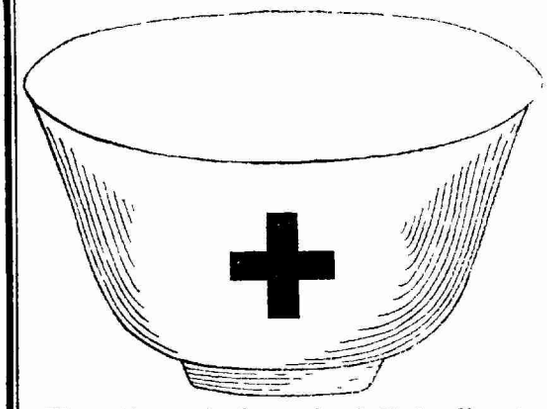

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In the United States Court for China

In the matter of the change of name of: AGNES APPOLUNIA KOWALSKI

Cause No. 4349
Special Proceeding No. 2228
NOTICE
Filed at Shanghai, China this 18 day of August, 1938.
WILLIAM T. COLLINS Clerk.

NOTICE

Notice is hereby given that Agnes Appolunia Kowalski, an American citizen residing in China, has filed her petition in this Court praying for authority to change her name to Agnes Appolunia Kowles.

Any person interested may, on or before September 4, 1938 offer and show to said Court why the said petition should not be granted.

WILLIAM T. COLLINS, Clerk
United States Court for China

In the United States Court for China

In the matter of the change of name of: REGINA BRIDGET KOWALSKI

Cause No. 4350
Special Proceeding No. 2229
NOTICE
Filed at Shanghai, China this 18 day of August, 1938.
WILLIAM T. COLLINS Clerk.

NOTICE

Notice is hereby given that Regina Bridget Kowalski, an American citizen residing in China, has filed her petition in this Court praying for authority to change her name to Regina Bridget Kowles.

Any person interested may, on or before September 4, 1938 offer and show to said Court why the said petition should not be granted.

WILLIAM T. COLLINS, Clerk
United States Court for China

"JAPAN'S WAR ON FOREIGN BUSINESS IN CHINA"

This is the title of a new 74-page booklet which gives facts and figures on the losses suffered by Americans and Europeans as a direct result of Japan's military aggression in China. The amount of money involved has been estimated as high as U. S. $800,000,000.

Hundreds of copies have been mailed abroad

In May and June *The Review* published a series of editorial articles dealing with the losses suffered by Americans and Europeans as a result of Japan's War in China. The articles represented a detailed study of the methods used by the Japanese fighting services to root foreign interests out of China. Most of the data presented in the articles was obtained from Japanese sources which have had no reason to conceal their hopes, plans and aspirations. Other facts came from non-Chinese sources, having no axes to grind but deeply interested in the preservation of foreign cultural interests and legitimate commercial rights in this country.

The publication of these articles, the first compilation of facts and figures on the results of Japanese aggression created a sensation not only in foreign business circles, but also in foreign governmental offices all over the world. As a result of the demand for copies of the articles it was decided to reprint them in pamphlet form, convenient for mailing.

Best possible information to send to your home-state senators and representatives, also to your friends and business connections. The cost of the booklets is 50-cents each, including postage. If you do not have facilities for mailing, send us the addresses, with check attached and we will attend to the mailing—through Hongkong or directly aboard steamers.

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What People Are Saying

Comments from Readers on Current Topics are cordially invited; their opinions, however, do not necessarily represent the views of the *China Weekly Review*.

Peace Terms for China and Japan

The Editor, *China Weekly Review*:

There has been a succession of news reports at different times about Japan's terms for ending the present Sino-Japanese war, such terms being invariably those of a victor nation. But the time has now come for consideration of China's terms to Japan for bringing about peace in the Orient. It is absolutely necessary in the interests of peace to place a curb upon the mad militarists of Japan and the present writer had outlined his own individual reactions to the present situation in the following "peace terms" with the design of furnishing such a curb. That there is more at stake than merely the interests of China and Japan is apparent and a realistic attitude demands due regard of all factors involved in framing suitable terms. These are as follows:

1. Complete evacuation of all Chinese Provinces by the Japanese Armed Forces.

2. Abolition of the puppet government of "Manchukuo" and the return of the Northeastern Provinces to China.

3. Surrender of Japan's lease of Port Arthur and the Liaotung Peninsula.

4. Rendition of all Japanese Concessions in China.

5. Surrender of Japanese extraterritorial rights in China.

6. Independence of Korea.

7. Japan to pay indemnities: (a) for the rape of Chinese women by Japanese; (b) for the murder of Chinese civilians by Japanese Armed Forces; (c) for illegal air bombings destructive of life and property; (d) for the sinking of Chinese fishing junks by Japanese naval units; (e) for losses due to Japanese-prompted smuggling in China; (f) for injury done by Japanese-promoted narcotic traffic in China; (g) for losses suffered by Chinese Customs due to Japanese interference; (h) for destruction, pillaging and other losses to Chinese property inflicted by the Japanese Armed Forces.

8. China to accept the surrender of certain units of the Japanese Merchant Marine in lieu of payment of indemnities in whole or in part.

9. Non-intercourse of China and Japan for 25 years in the event that Japan refuses payment of satisfactory indemnities.

10. Cession of the Chinese Eastern (North Manchuria) Railway to China.

11. Cession of the South Manchuria Railway to China.

12. Official apologies by the Japanese Government for outrages and atrocities inflicted in China by the Japanese Armed Forces.

13. Punishment of Japanese officers whose units were guilty of atrocities and violations of The Hague Conventions governing warfare.

14. Surrender of the southern half of Saghalien (Karafuto) Island to Soviet Russia.

15. Cession of the Kurile Islands to Soviet Russia.

16. Withdrawal of Japan from the Anti-Communtern Pact.

17. Surrender of certain units of the Japanese Navy to Soviet Russia in lieu of indemnities.

18. Cession of Paracel Islands to France in return for aid to China.

19. Cession of the Japanese Mandated Islands to Germany in return for German agreement to abandon the Anti-Commintern Pact.

20. Cession of Formosa (Taiwan) to the Philippine Commonwealth in return for assistance rendered in the war and to provide a bulwark against Japan's revival of her "southward expansion" program.

21. Surrender of four newest Japanese battleships to the United States of America in lieu of suitable indemnities for losses suffered by American nationals in China.

22. Recognition of the independence of Outer Mongolia in return for Mongol aid in defeating Japan.

23. Cession of the Mongol section of Manchuria west of the Hsingan Mountains to Outer Mongolia.

24. Surrender of Italian extraterritorial rights in China and the rendition of the Italian Concession at Tientsin.

25. Indemnities to China from the International Settlement of Shanghai for all Chinese surrendered to the Japanese Army contrary to the provisions of the Special Agreement establishing the Special Court.

26. Retrocession of the parts of the International Settlement at Shanghai that were used as a military base by the Japanese Army and Navy.

27. Seats on the Shanghai Municipal Council held by the Japanese (two in number) henceforth to be filled by Chinese.

28. Apologies to be made by the Shanghai Consular Body for failure to preserve the neutrality of the International Settlement.

29. Apologies to be made by the Shanghai Municipal Council for permitting the Japanese "victory" march through the International Settlement in 1937.

30. The editors and management of the Shanghai Times to be expelled from China and the newspaper to be suppressed.

31. Major Bourne to be relieved of his duties as Commissioner of the Shanghai Municipal Police and his position to be filled by an individual acceptable to the Chinese Government.

32. H. G. W. Woodhead to be given a trip back to England.

33. The Nine Power Treaty to be renewed with modifications providing for automatic sanctions and armed intervention in case of its violation by Japan, by any of the signatories or by any other nation and the provisions of the new treaty are to be applicable not only to preserving the territorial integrity of China but also that of all the signatories located in or on the shores of the Pacific

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Formerly Millard's Review

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and Indian oceans. The new treaty is to be signed by the duly recognized agents of the following countries: Australia, Canada, China, France, Germany, Great Britain, Holland, India, New Zealand, Philippines, Portugal, Siam, Soviet Russia, and United States of America.

It has been assumed in framing these "peace terms" that Japan is not now ready to accept China's terms, so consequently the terms have been made more severe for application at a later date when Japan shall have finished digging her own grave. The foregoing terms are not official, of course, but nevertheless they represent compromise terms acceptable to Chinese, except to the patrioric extremists, and at the same time the terms provide a much needed check to the Powers of Darkness that have been operating for many years in the Far East to the great detriment of humanity in general of the Chinese in particular. Moreover these terms contain implicit recognition of the facts that the Japanese are morally unqualified to exercise dominion over others, if indeed they are qualified to rule themselves, and also that the promises of the Japanese nation are not to be relief upon.

Vox Pop.

Shanghai, August 30.

*
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Readers are cordially invited to suggest additional items to peace terms which "Vox Pop" may have overlooked. Mail them in to the *China Weekly Review*.

On Japanese Control of Shanghai

The Editor, *China Weekly Review*:

Readers of your publication will probably be interested to know the following opinions regarding the Japanese-Foreign Power situation in Shanghai which, I may add, has been given to me from unimpeachable authority. I have been told the following:

Japanese consular representatives have all times since the beginning of this trouble been quite frank in admitting that there was a considerable group of their citizens at home who held views of the nature expressed in past issues of the *China Weekly Review*. They have informed foreign authorities in a friendly and unofficial manner that it is this fact that makes it so extremely difficult for them to cooperate with Third Powers on the spot.

My informants feel that there must be wiser heads some where in Tokyo who will realize that no matter how desirable such action might be from the standpoint of the grand plan of the Japanese army, the repercussions which would result from it must prove disastrous to Japan in her present economic and political situation.

Shanghai. An American.

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**

"An American's" reference to *China Weekly Review* articles undoubtedly are "Japanese Jingoes Want Control of Shanghai," July 23, 1938; "Japan Must Crush European and American Opposition, Establish Firm Control over Shanghai," July 30, 1938. His letter is particularly interesting in view of the events on August 13.

Tricks of Guerillas

The Editor, *China Weekly Review*:

It occurred to me that a few quotations from a letter written by Mr. W. H. Donald, adviser to General Chiang Kai-shek, to his brother, Mr. H. Donald in Australia, in which he describes the harrassing of Japanese armies by Chinese guerillas, might prove interesting.

Mr. Donald wrote: "The Japanese dare not go more than 100 yards from either side of the roads. At night time the country belongs to the Chinese and the Japanese remain sheltered.

"For some time the Chinese believed that the Japanese were supermen and were invincible. They learned, however, that a pike could poke a hole in a Japanese rascal as easily as it could let the life out of a Chinese robber. Then came a remarkable change in the countrymen. They armed and went after the Japanese whereever they got a chance.

"The Japanese were seen to be terror-stricken by the Chinese coming with their big swords, and all the fight was soon out of them. A bayonet they tried to parry, but when they saw the mighty swords glinting in the sunlight, they saw no way to parry them with a rifle. The Chinese swing the swords apparently at the head; if the Japanese raises his rifle to parry the blow, the sword is swept down to the legs....."

"China will not give up, no matter what the Japanese try to do to her in the immediate future. If the Japanese come in sufficient weight to make the Chinese withdraw, they will withdraw and continue withdrawing, fighting while ever they can get the means to do so....."

A Briton.

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The China Weekly REVIEW

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SHANGHAI SHOULD CO-OPT COL. PRICE FOR MODERNIZATION PROGRAM

IT didn't require the Japanese to inform residents of this city of the crying need for a renovation and modernization of the administrative system. Particularly is modernization of the voting system urgently needed—something which local residents also realized long before the Japanese Army appeared on the scene to upset things.

But no one wants the Japanese to do the reorganizing!

Therefore Shanghai should take advantage of the presence here of Col. Charles F. B. Price, commanding officer of the Fourth Regiment, U. S. Marines, to modernize the voting and administrative systems.

We make this suggestion because it is not generally known that Col. Price was responsible for the reorganization of the governmental and electorial systems in Nicaragua. He was sent to Nicaragua, along with Capt. Evans F. Carlson (who reorganized the constabulary) and it was largely due to their efforts that the Nicaraguans were enabled to hold an honest election, the first in the country's history.

That Shanghai owes Col. Price a debt of gratitude for his services here goes without saying. But his term of service, already extended, will expire in October; hence something should be done to retain his services for the much larger work of modernizing the city's voting and administrative system. In other words, having "saved" the city, Col. Price should now be asked to rejuvenate it.

A sincere move by the Americans and British in this regard would be the best possible defense against the Japanese who are determined to either control the city and oust the Occidentals or stifle its activities. Everybody of intelligence is opposed to Japanese control, established by force, because that would lead to chaos, but everybody of intelligence also knows that there is much truth in Japanese charges about inefficiency in the municipal administration. Everybody who has investigated the situation here has agreed that something ought to be done, but nothing has been done because the small clique which controlled the city and made a profit out of it, didn't want to take the risk of a new arrangement,

But the situation is different now. China might be amenable to a program of modernization that would not involve infringement on her territorial sovereignty and which might, at the same time, result in an improvement of the status of Chinese citizens resident here. Selfish foreign interests which opposed modernization for fear of having their special privileges infringed, might also be more amenable to reason than previously.

Of most importance is the fact that there is an expert here, in the person of Col. Charles F. B. Price, whose services might be available, privided *united Shanghai* wished to take advantage of them. We are sure that an honestly designed plan for the modernization of the city's voting and administrative system that would give due consideration for all interests, would receive unanimous approval—even on the part of the Japanese. Also, it might even win the support of the French—particularly in view of the present drift of affairs in Europe! Although the French have always opposed suggestions for amalgamating their Concession with a "Greater Shanghai," there is a possibility that war in Europe might cause them to change their views.

The important point to keep in mind is that something should be done about it at once because Col. Price is scheduled to depart in October, only a few weeks away.

"TRAVEL EURASIA OR STAY ON THE GROUND"

ELSEWHERE in this issue of *The Review* appears a summary of reports dealing with the forcing down of an American plane, piloted by an American citizen, and the massacre of the civilian Chinese passengers by machineguns operated by Japanese naval aviators in the vicinity of Canton on August 24. The incident has been made the subject of strong protest by the U. S. Government.

The American plane, known as the "Kweilin," was a Douglas transport and was operated by the China National Aviation Co. in which the America Pan-American aviation interests own 49 percent of the stock. The pilot was H. L. Wood, an American. The co-pilot was a Chinese, Liu Chung-chuan, who was killed. There were only three surviviors out of a passenger list of 17.

There are two foreign companies which are associated with the Chinese in the operation of civilian passenger and mail planes in China. One is the C. N. A. C. in which Americans are interested and the other is Eurasia Aviation Corporation, in which the German Lufthansa is interested, the German relationship being similar to that of the Americans in C. N. A. C.

On August 25, following the receipt of news of the incident, foreign correspondents in Shanghai interviewed the official spokesman of the Japanese Navy in Shanghai, who admitted he was in full possession of the official report of the leader of the squadron of five Japanese planes which had attacked the American plane. But the Japanese officer refused to disclose the report. A summary of the Spokesman's statement appears elsewhere in this issue, but he made one cynical declaration which we hope Americans will keep in mind for future reference when *the day* arrives for settlement

with Japan—not only the bill for property losses, but the whole issue of treaty violation.

When one of the correspondents asked the Naval Spokesman about the possibility of future attacks on commercial planes, he replied,

"We advise you to travel Eurasia or remain on the ground."

This statement constitutes first official admission by a Japanese official that the so-called "anti-Comintern" pact, also involves commercial cooperation detrimental to the interests of other parties, in open violation of the Nine-Power Treaty, to which Japan is a signatory. For a long time it has been rumored that the Japanese had promised both Germany and Italy special commercial priveleges in China and possibly territorial concessions. The recently concluded "tripartite" treaties between Japan-Italy-Manchukuo and Japan-Germany-Manchukuo also involve commercial deals in open violation of the Nine-Power Treaty to which Italy is also a signatory power. Germany did not participate in the Washington Conference where the Nine-Power Treaty was drafted. But the constant German propaganda on the subject of colonial expansion leaves little doubt as to the future intentions of that country's leaders in this part of the world—in the event the Japanese are compelled to "share their spoils" with their European allies!

*
**

The C. N. A. C. announced, shortly following the incident an indefinite suspension of its Hongkong-Chungking service. A few days later the Eurasia line, apparently as a result of Japanese pressure upon the Germans, also announced a suspension of its service between Hongkong and Hankow. British and Chinese interests in Hongkong have urged an early resumption of the services, pointing out that a suspension of the air-services would be tantamount to capitulation to the enemy. Eurasia resumed mail service on Aug. 30 and announced resumption of passenger service shortly.

JAPANESE PERSECUTION OF WHITE RUSSIANS IN MANCHURIA

THE *North-China Daily News*, leading British paper, printed, a few days ago, a report from Harbin telling of the arrest of five White Russians who are employed by two British banks in Harbin, the Hongkong and Shanghai Banking Corporation and the Chartered Bank.

The Russians were arrested by the Japanese on some trumped-up charge of violating exchange regulations, and according to the report, they have been held in jail for a considerable period without trial. The report stated that the exchange regulations, adopted for the special benefit of the Japanese banks, are altered every day or so in such manner that it is impossible to determine what particular regulations the men may have contravened.

There is significance in this recent report because it constitutes fresh evidence of the methods which the Japanese have used to dispossess White Russians of their property in North China, although in this instance the property happens to be British.

We call attention to the incident because of its bearing on the larger question of Japan's treatment of Russian emigrees in Manchuria and the threat to take similar action against those who reside in Chinese ports. In last week's issue of *The Review* there was a reference to a police report telling of the action of the Japanese Special Service Section (secret police) in organizing groups of White Russian "fascists" made up of the dregs of the Russian community, who take advantage of Japanese police and military protection to engage in racketeering activities at the expense of their fellow countrymen.

According to an article from authoritative sources bearing on the larger question of Japanese treatment of Russian emigrees which appears elsewhere in this issue of *The Review* the Japanese have followed a systematic course of dispossessing the White Russians of their properties, including large holdings in Harbin consisting of retail and manufacturing industries as well as land and buildings. In addition the Japanese also have deliberately stolen the lands and timber concessions previously owned by Russians within the zone of the Chinese Eastern Railway stretching for a distance of about 1,200 miles from Pogranichnaya, on the eastern border near Vladivostok to Manchouli on the western frontier.

But the worst case was the deliberate dispossession of the Russian settlers in the district known as "Three-Rivers" located in Heilungkiang province, to the north of Hailar. The district is similar to the dairying areas of Michigan and Wisconsin in the United States. For many years, Russians from the district about Lake Baikal and eastward have crossed over into Northern Manchuria and established themselves on the fertile Chinese frontier lands which they have developed to such an extent that dairy products from this district even appear on the Shanghai market.

It was natural that the Japanese army should want these lands so it sent large numbers of the so-called "armed immigrants" into the area who deliberately massacred the Russians and took their properties.

The worst phase of the incident is still to be told: The Japanese were actually assisted in their atrocities by agents of the White Russian Cossack, Ex-Ataman Semenoff, who was described by Major-General William S. Graves, commander of the American forces in the Siberian intervention, as "the Cossack bandit who claimed to be fighting bolshevism." Semenoff is, of course, in the pay of the Japanese Army which is using him in the oppression and persecution of other Russian emigrees who do not have consular protection.

Throughout this whole period of Japanese oppression of the unfortunate Russian emigrees there has not been one word of protest on the part of the White Russian newspapers either in Manchuria on in the Chinese ports. The obvious reason for this situation, as pointed out in the accompanying article is the fact that the Russian newspapers, with one or two exceptions are directly or indirectly controlled by the Japanese. Since the Japanese are in complete military control of Manchuria and North China their domination of the Russian press is understandable, but Japanese domination of the Russian newspapers even extends to Shanghai. All of the Russian papers here, with one exception, follow a pro-Japanese policy and some of the Russian newspapermen even receive pay from the Special Service Section of the Japanese army for spying on their countrymen and even for serving as spies on other nationals in Shanghai, including the British, French and Americans.

The situation with respect to the Russian emigrees is particularly pathetic because so many of their leaders—particularly in the Cossack camp—are under Japanese influence. The same thing applies to the Russian press, to such an extent that most of the intelligent Russians rely more on the foreign press, that is, the American and British newspapers, than they do on their own papers which misrepresent the communities in which they are printed.

There is a special interest in this subject because of the employment by the Municipal Council of the International Settlement of a so-called "White Russian Regiment" composed largely of Cossacks. The subject recently came into prominence due to the action of the Russian Cossacks in killing and wounding a

number of interned Chinese cadets who are members of the "Lone Battallion" which fled into the Settlement at the time of the withdrawal of Chinese troops from the Shanghai district. In *The Review's* reference to this subject, attention was called to the lack of judgment displayed by the Settlement authorities in turning over the young Chinese cadets to the armed Russian Cossacks because of the political elements involved.

Now, the gathering clouds of international strife in Europe, make it all the more necessary for the authorities of the Settlement to pay close attention to the status of its White Russian Cossack Regiment because of Japanese intrigue with these groups through their "tribal" leader, the Ex-Ataman Semenoff who is in Japanese pay in Manchuria. For these reasons the following disposition of the White Russian Cossack Regiment should be made immediately:

1—Because of the political and moral elements involved, the Russian military detachment should not be continued as a "paid" national unit.

2—The use of this unit by the Settlement in dealing with political and economic issues affecting the masses of the Chinese, such as the Lone Battallion incident and in quelling strikes and labor trouble, cannot but lead to the estrangement of the Chinese people generally and the blame will fall ultimately upon the British as the chief controllers of the Settlement. Japanese intrigue among the Russians is certain to cause Chinese animosities to turn against the British, particularly if the Russians continue to be used in the suppression of Chinese political activities.

3—If the maintenance of the detachment is regarded as essential for the security of the Settlement, then they should be employed as police where their services could be more closely supervised and their use as an armed "national" unit avoided.

Fallacy of the "Profit" Argument in America's Trade With Japan and With China

"SINCE Japan's trade with the United States exceeds China's trade with the United States, the Americans should abandon their interest in China and permit Japan to have a free hand to do as she wishes with China."

This argument has been spread about the United States by Japanese protagonists since the original Japanese invasion of the Manchurian provinces in the fall of 1931. Until recently no one apparently attempted an analysis of the trade between the United States and China and Japan to see what was behind the figures, U.S.$ 280,000,000 for Japan and U.S.$110,000,000 for China.

Fortunately an American businessman in Shanghai, who prefers to be known as L. M. M. has made an analysis of America's trade with China and Japan and has found that our trade with China, while considerably less than our trade with Japan is, nevertheless, of more social benefit to the American people. In other words, our trade with China actually creates more prosperity than is the case of the trade with Japan, that a higher grade of labor is employed, and the merchandise which we supply to China is for the use of the Chinese themselves, hence it helps to raise the living standards of the Chinese people.

The analysis of the trade between the United States and China-Japan, which was made by the American businessman follows:

"Since the beginning of the Sino-Japanese hostilities the statement has often been made by persons who call themselves practical realists that the United States should support Japan for the practical reason that Japan's goodwill and business is worth more to America than China's. Typical of such talk is an article appearing in the *Far Eastern Review* for July, 1938. It is a monthly magazine published in Shanghai and devoted chiefly to engineering subjects and Japanese propaganda. The article in question is credited thus: "From an article by Colonel James E. Edmonds in the *New Orleans Cotton Trade Journal* and condensed by the *Osaka Mainichi.*" Colonel Edmonds' remarks therefore appear at third hand and from the use of quotation marks it is impossible to judge how much of the article represents his original statement and how much should be attributed to the editors of the *Osaka Mainichi* and the *Far Eastern Review.*

"Colonel Edmonds is represented as saying, "The average Japanese in these days is ten times a better customer than the Chinese." The article is not dated so there is no way of knowing the day to which he refers. He then goes on to back up this statement with "Japan buys from the United States normally between U.S.$3.00 and $5.00 per person per year of commodities, China between 25 cents and 30 cents."

"I agree with the Colonel's arthimetic, but question his conclusions. Japan has a population of about 70,000,000, so if each Japanese buys from the United States $4.00 per year of commodities, our exports to Japan will be $280,000,000. I believe this checks roughly with the U.S. Customs figures. But China has a population of around 400,000,000. And average purchases of 27½ cents by 400,000,000 people add up to $110,000,000. So, while average sales per person to Japan are ten times as great as to China, total sales to Japan as a whole are only about two and a half as great as to China. Which still seems to leave Japan comfortably ahead.

"Colonel Edmonds implies that the 70,000,000 people of Japan are 70,000,000 actual or prospective American customers. This is definitely not true. All but a tiny percentage of them do not possess, never have possessed and never will possess any article bearing the imprint "Made in America." Neither is it correct to imply that the 400,000,000 Chinese are 400,000,000 actual customers. But it is true that the actual number of individual customers—people who pay out their own money to buy American products—in China is greater than in Japan. Throughout the length and breadth of China you will find establishments ranging from huge department stores and trading depots to hole-in-the-wall shops that sell an enormous range of American merchandise—canned goods, tooth brushes, machinery, tobacco products, motor cars, and so on through an almost endless list. That is not true in Japan. In Japan you will buy Japanese manufactured goods or do without.

"Years ago Japan embarked on a program of protecting home industries that would make our most ardent high tariff advocate look like an amateur Santa Claus, which resulted in the gradual elimination of foreign-made goods. For example, there was a time when Japan was a good market for American phonographs and radios. We used to ship them by the car load, but not any more. Today the radio you buy in Japan is made in Japan. It will serve the purpose and comes in a neat cabinet at considerable less cost than a similar American radio, although it is not as well made and will not give equally good performance. But we are not discussing quality at present.

"In China, on the other hand, you will find American radios, R.C.A.'s, Philcos, Zeniths, and a number of other makes. They were manufactured in the United States.

American labor was paid for making them, and the proceeds from their sale is widely distributed in the States. Profits are still made by Americans through the sale of radios in Japan, chiefly from the licensing of patents, but who gets those profits? Mainly the Radio Corporation of America, certainly not industry as a whole. The radio business of course is very small but it is typical of merchandising as a whole. What I want to point out is that our trade with China keeps more Americans employed in the United States than our considerably larger trade with Japan.

"Consider motor cars. American cars and trucks are found all through China, greatly outnumbering all others even in the strongly British colony of Hongkong. Those cars were manufactured in the States. American labor was paid for building them and American labor should be interested in holding and cultivating such a rich market. In Japan American cars are still in the majority by a wide margin, but indications are that they will be shut out as soon as the Japanese government is able to build up a Japanese automobile industry. Already more and more parts are being made in Japan, fewer and fewer in the States. And the number of Americans employed by the automobile export business to Japan is being correspondingly decreased.

"One of our most important exports to Japan, ranking at or near the top in dollar value, is oil—fuel oil, gasoline, lubricating oil, etc. I have never yet been able to figure out what Americans profit by that trade. The oil marketing companies claim to be losing money in Japan. Certainly there is precious little American labor supported by the trade. And it is helping to dissipate a natural resource of our nation that cannot be replaced when it is gone. It has been said that if the Japanese market were cut off there would be over-production, huge stocks would accumulate and as a result of the glutted market prices would fall. It is hard to believe any of the ten million or so motorists in the States would shed a tear at the prospect of gas coming down a cent. But this argument sounds like so much stuff and nonsense. Actually, the oil producers in the States spend many millions every year bringing in new and deeper wells to keep up with the demand.

"Raw cotton ranks along with oil as a major export to Japan. And that is the only export that benefits American labor to any extent. Not the highest type of labor, to be sure, for all reports indicate that the farmers in the cotton-producing states provide a considerable percentage of the ill-fed and poorly-housed, whom President Roosevelt mentions so often. Then what are the prospects of retaining and possibly increasing this outlet? Japan buys cotton from America for one reason and one only: she cannot get it anywhere else in the quantity required. But she is trying desperately to develop new and cheaper supplies. Brazil is coming forward, and experiments are going on in Ethiopia. And if Japan should succeed in conquering Central China she will be completely independent of American cotton. American growers could still compete, of course, on a price basis, which means that the standard of living of the American cotton farmer would be still further depressed to the level of the Chinese peasant or the half-savage Ethiopian native. Not a pleasant prospect, is it, but certainly not a pipe dream.

"The other important export to Japan is metals, principally copper and scrap iron, both used chiefly in the production of war munitions. Mining and refining of the copper accounts for some employment in the States, and the handling of the scrap iron keeps a good many stevedores busy, but since one of the incidental purposes of this business is to destroy America's stake in China it can hardly be called a healthy trade.

"And how many Americans are employed in selling these bills of goods to China and Japan? Even though our present sales to Japan total two and a half times those to China there are at least twenty times as many Americans making a living as salesmen and trade representatives in China as in Japan. Yokohama is one of the most important cities in Japan and bears about the same relation to Japan that Shanghai does to China. But Yokohama supports an American community of only about sixty, compared to four thousand in Shanghai.

"One of the important differences in our trade with these two countries is this: American goods sold in China are largely manufactured articles bought by Chinese for consumption by Chinese in China. Sales to Japan are largely raw materials that are not consumed in Japan. Japanese labor is paid for manufacturing them for export where they compete in world markets for products made in America and other countries. And so I contend that our trade with China, even though the total dollar value is less, contributes more to prosperity in America than our trade with Japan. It should be fostered accordingly."

L. M. M.

How the White Russians Have Been Dispossessed and Driven from Their Homes in Manchuria

BY O. B.

Translated by The Review's Russian Correspondent (not Red)

THE largest European colony in China, known under the somewhat ambiguous name of White Russians, finds itself in a tragic situation. As a result of recent political developments in the world and in Soviet Russia particularly, the enmity of a majority of these political refugees to the form of government now in their fatherland has undergone a considerable change. At any rate, the Whites have at last found a common sentiment with the men now ruling in their fatherland—based on the common desire to see it prosperous and guarding Russia's historical confines from all outside encroachments.

There is only a small group of Whites who believe that the downfall of the communistic regime in Russia can be attained only through Russia's defeat in war with a foreign foe. Despite its small number, this group is exceedingly active and through the instrumentality of the Japanese Army has, in the course of the last few years, assumed a commanding position over the entire colony of White Russians in the Far East, that is to say, over those living in China, Japan, Korea and "Manchukuo," regardless of whether the Whites in general accept this leadership or not.

The situation has become still more tragic because these self assumed "leaders" have by their words and deeds irretrievably compromised the entire population of White Russians in the Far East, numbering probably well over 100,000 by creating the impression that they are pro-Japanese *en masse*. The truth of the situation is that nine men out of ten would bless the day they could see the Japanese thrown from the continent back to their own islands either by the Chinese, Soviet Russians or—for all that—by some supernatural agency.

Furthermore, the real sentiment of the Whites has had no way to express itself, for, as a matter of fact, there is no purely White Russian press in the Far

East such as there is in Europe. The publications which claim themselves to be White Russian and are actually printed *in Russian* are in reality Japanese owned, financed or in some way dependent upon the Japanese. This a suprising statement, but facts speak for themselves, namely: (1)—the *Harbinskoye Vremia* (daily) is owned and edited by the Japanese Military Mission (Special Service Section) in Harbin: (2)—The *Kung Pao* (Russian edition in Harbin, now suspended) was owned and edited by the "Manchukuo" Publicity Bureau, or—in other words—by the same Military Mission in Harbin; (3)—The *Zaria* (daily) was founded by a Czeck and now is owned by a company composed of his widow, a Jew and a White Russian, can pursue only a pro-Japanese policy, which it has actually been doing since the establishment of "Manchukuo" and introduction of press censorship; (4)—the *Luch Azii* (monthly) is "owned" by Ataman Semenoff, which is another way of saying that the publication is owned and edited by the Kwantung branch of the Japanese Army.

In Tientsin, the situation is no better; (1)—The *Vosrojdenie Azii* (daily) is owned and edited by the Japanese Military Mission (S.S.S.) in Tientsin; (2)—the *Nasha Zaria* (daily) belongs to the owners of *Zaria* in Harbin and Shanghai and is wholly dependent for its news features and editorial opinions upon the Japanese censor's office in Tientsin, or—in other words—the Military Mission in Tientsin.

The same situation prevails in Shanghai: (1) The *Shanghaiskaya Zaria* (perhaps the largest paper in town) dares not take an independent policy, as otherwise the *Zaria* in Harbin and the *Nasha Zaria* in Tientsin would be suppressed by the Japanese military, spelling ruin for the otherwise thriving business of the publishers (composed of the widow of a Czeck, a Russian and a Jew); (2)—the *Slovo* (daily) is owned and edited by a Tartar and appears to be so committed to "defeatist" policy that one wonders as to how it manages to limp along. The third daily, *Novosti Dnia*, is a distinctly Soviet paper and could hardly be expected to voice the sentiments of White Russians living in this part of the world.

There was a truly White Russian newspaper in Harbin, the *Russki Golos*, run along purely nationalistic lines, but it was closed down by the Japanese authorities soon after the establishment of "Manchukuo." Its leaders were deported to Tientsin or Shanghai. It should be pointed out that the proprietors of the paper did not attempt to reopen in Harbin under Japanese aegis,—a fact worthy of highest praise.

From the foregoing facts it is obvious that the Whites have no newspaper of their own. All that is published in Russian and professes to pursue a nationalistic policy turns out to be not Russian at all but either owned or subsidized by the Japanese Army or in some way is dependent upon it. This fact is undeniable, although the *Shanghayskaya Zaria* would not admit it, claiming to be democratic and independent.

This is a tragic situation but it does not rest there,—the Whites have no true leadership in the Far East, and from the standpoint of actualities they cannot be expected to have any. Those who profess to speak for this vast colony, particularly in Manchuria and North China, are men supported in their "commanding" positions by the Japanese Army. This situation was not created by any "franchise" of any sort. It is a deplorable situation but it is quite correct that many members of the so-called "bureaus" of White Russians or "Anti-Communist" committees have all been appointed by the Japanese Army from the least respected parts of the colony. These "leaders" speak and act in the name of the entire population of Whites, putting them in a position of animosity toward the Chinese nation and government, while a majority of them have no such sentiment at all and are friendly to China.

Readers who ask for facts to support this statement will find them here:

The influx of Whites into China from Siberia and Manchuria has gone through two phases; (1)—soon after the close of civil war in Siberia (1920-1922), and (2)—since 1932, after the establishment of "Manchukuo" and commencement of Japanese persecution of other nationals, which wave continues up till now. This is also undeniable, because every ship from Dairen brings families of Whites who are leaving Manchuria, once designated by Japanese propagandists as "Paradise on Earth" for all races, including the Russian who had been there longer than any except the Manchus. But the Japanese slogans "Paradise on Earth" and "Happy Valley" are now forgotten entirely. What force now compels the unfortunate Russians to again flee the land of their abode, Manchuria, where they spent the better half of their lives and are now forced to seek fortunes in the inhospitable ports of China? It is the persecution of the Japanese military authorities who compel the Chinese and foreigners to flee from land which the Japanese have designated as "grazing ground" for their army and its hangers-on.

This persecution has been going on since right after the departure of the Lytton Commission which investigated the Manchurian question on behalf of the League of Nations. It will be remembered that a so-called Committee of White Russians in Harbin submitted a memorandum to the League Committee "exonerating" the Japanese for seizure of Manchuria. The document was considered then and still is, to have been issued under duress, although all the Russian papers (including *Zaria* in Harbin) acclaimed it at the time as expressing the "free will" of the population.

To be brief, the persecution of the White Russian population in Manchuria has assumed the following forms: (1)—closing down of Nationalist organizations and deportation of their leaders: (2)—replacing these organizations by new ones accepting leadership of Ataman Semenoff, ex-Cossack chief long in Japanese pay, similar to Pu Yi, or his "ministers" (3)—dispossessing Russians of their extensive landed property, acquired since the construction of the Chinese Eastern Railway (1898) and mostly in its "zone;" (4)—replacing Russian culture and nationalism by "yamatoism," and "bushidoism," which, in the eyes of the Russians and Chinese and others is nothing but the preaching of violence in the name of Japanese well-being. And it is equally undeniable that the Japanese supported Russian "leaders" have actually helped the Japanese warlords in putting through this well planned elimination of every vestige of Russian influence in North Manchuria.

From a practical standpoint, this "four-headed" policy has been carried out, always with the help of Russian "leaders" and with approval of the so-called White Russian journalists.

The "Union of Russian Legitimists" or monarchists, composed of those who believed that Russia should be governed by an Emperor of the Romanov Dynasty, particularly the Grand Duke Cyril Vladimirovitch or his son, who are undeniably direct heirs to the Russian throne if the former law of succession were to be operative, have been suppressed. The Grand Duke is against any foreign invasion of Russia, believing that the Throne in Russia must be restored only by the free will of the people expressed through a Constitutional Assembly (it was dissolved in 1917 by the Bolsheviki). The Japanese considered this organization their "ideological" enemy and sup-

pressed it in 1934. Many of its members were arrested, tortured and allegedly died of their injuries. The torture of former White Russian officers, Oleinikoff, Semenov, Vecherov-Schernov and many other members of "legitimists" is well known to the population in North Manchuria but it has never been printed in any Russian publication, although perfectly well known to the so-called "journalists" of Manchuria and Shanghai.

Also suppressed was the "Union of ex-Service Men of the Russian Imperial Army and Navy," perhaps the most powerful organization of militant White Russians in respect to the Soviets and which allegedly still carries on a struggle against Communist ideas within Russian territory. This organization is not "defeatist" and seeks salvation of Russia from within. Its leaders, Generals Kutepov and Miller were kidnapped by unknow parties, presumably the O.G.P.U., several years ago and their whereabouts is still a mystery. This was a real Russian nationalistic organization hence it was not wanted in "Manchukuo." Its leader are now in Tientsin or Shanghai, in foreign controled areas.

It goes without saying that all affiliates of these two powerful organizations, working along philantropic, cultural or even sporting lines were also suppressed. A record of this would take considerably more space to enumerate here than is available.

In place of these truly White Russian organizations, which survived various Chinese administrations in Manchuria even in the face of strong protests of the Moscow Government, the Japanese created in 1932 a "Manchukuo" government organization, called the "Bureau of Russian Emigrants," and placed it under the supervision of the Military Mission in Harbin, or, in other words, under the Kwantung Army. As is the case with the entire "Manchukuo" administration, the bureau has a number of Russian figure-heads chosen from the least respected part of the colony who are nothing more than job-holders, or "puppets." The real power rests with the Japanese advisers, who act always behind these Russian figure-heads. Thus the persecution of White Russians, which has been going on in Manchuria since 1931 and in no degree less than that suffered by the Chinese is being done through Russians themselves. The colony knows this perfectly well and regards these Russians as traitors in the same manner as the Chinese regard their "traitors" in Japanese-occupied areas or in Manchuria.

These newly found "leaders" of White Russians are chiefly henchmen of ex-Ataman Semenoff, long in Japanese pay and therefore have no freedom of action. Semenoff never enjoyed the respect of a majority of Russians, either in the Far East or in Europe, because —to look back into history—he was partially responsible for the collapse of the White Russian movement in Siberia, through his revolt against Admiral Kolchack's regime, and also because of the absence of any "moral" criteria. Therefore, the leadership he claims is self-assumed or—to say the truth—is delegated to him by his Japanese masters and cannot in any sense be taken as that representing the sentiment and will of the population of White Russians in the Far East. Obviously there is no such will either, because with very few exceptions, the mass of the Russians do not engage in political activities but go about their jobs as ordinary citizen anywhere.

In regard to the dispossession of Russians of their landed property in North Manchuria, which was very extensive, the process has been executed along lines adopted in regard to Chinese land. In Harbin, many Russians were deprived of their real-estate under the pretext of town-planning, or they were compelled to give up their holdings because of excessive and ever mounting taxation. This last process is still in the course of enactment and it may safely be stated that, within the next few years, the Russians will have no landed property left in Harbin or North Manchuria, generally. Up to the Japanese occupation in 1931 they enjoyed a comparative prosperity along with other sections of the population.

THREE RIVERS TRAGEDY

A similar situation prevails in the Three Rivers District (Sanho), to the north of Manchuli, which was populated by thousands of Russians hailing from Trans-Baikal Province, across the Argun River. These people were mostly Cossacks, formerly subordinates of Ataman Semenoff. It will be remembered that during the Soviet-Chinese Conflict of 1929, so-called red bandits committed a number of atrocities there, having in one place (Tinihe) allegedly executed over sixty men, women and children.

That they were Cossacks did not save their rich holdings from the land-grabbing tactics of the Japanese warlords, who sent a number of young armed "colonists" to settle on Russian-tilled lands. This led to a serious riot during which the Cossacks land-owners killed General Tirbakh, Ataman Semenoff's assistant, because he helped the Japanese in dispossessing these hard-working farmers and dairy-men of their equally hard-tilled lots. In retaliation, the Japanese executed scores of these Russians, including one priest who stuck with his flock.

Along with these land-grabbling tactics, the Japanese have been steadily liquidating Russian industrial and commercial establishments, old and new. Enumeration of enterprises transferred by hook or crook to Japanese ownership would take much space. However, mention should be made of such enterprises as the large department store, Tchurin & Co., Sungari Flour Mills, Ashihe Sugar Factory, each worth several millions of dollars and whose owners must now search for new fortunes in other lands.

It is well known that in aquiring these Russians owned enterprise, the Japanese invented all sorts of machinations, the commonest method being the arrest of the owners or employees on trumped-up charges of being secret spies or even communist agitators. All such arrests invariably led (and still lead) to torture with a view to having the victims confess that they are actually spies and agitators. M. Kutikoff, general manager of the Mulin Coal Mines, did not, however, confess, and was so wrecked physically and mentally that the Japanese military feared to liberate him in Manchuria, as he would have revealed the beastly treatment which the Japanese gendarme give to their victims. He was simply deported to the U. S. S. R. near Suifenho, where he shortly died of the injuries he had received at the hands of the Japanese.

The elimination of Russian educational and cultural institutions in North Manchuria, where they played an important and benefitial role for forty years, has gone on relentlessly. As a result of this policy, there is no Russian middle school or college operating with traditional pre-revolution programs as was the case prior to 1932. Closed were the Harbin Polytechnic School, the Law College, the Pedagogical College and even the Y.M.C.A. College which was run by Americans. To fill the gap, the Japanese opened a new "university" whose academic standards cannot in any sense equal that of any of the schools which were closed. Many professors of these schools are now in Shanghai, engaged in jobs having nothing to do with their avocations.

The tragedy of the situation has becomes all the more apparent when one considers that this persection has been carried out largely through Russian hirelings,

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put in commanding positions and supported by the Russian language "press" in Harbin, and even in Shanghai. This policy cannot lead to anything but animosity on the part of an overwhelming majority of Whites who earnestly hope that the Japanese may be thrown back to their islands, the only thing which will restore peace and prosperity to all nationalities living in China, or on the coast of Asia, for that matter.

Shanghai, August 25, 1938

General Chiang Denies Italian Mediation, Sun Fo Urges Alliance With Soviets

BY H. C. H.

THE nearing and increasing bitterness of the crucial struggle for the control of China's metropolis of the Middle-Yangtsze, has been responsible for significant declarations on the part of various officials of the National Government, which provide an insight into the status of thought and opinion at this critical time in the history of the nation.

Newsweek.

Marshal Vassily Blucher, Commander-in-Chief of the Soviet Union's forces in the Far East, which number, according to a recent report in *Newsweek*—400,000 regular troops along the Siberian frontier and at Vladivostok with an additional 150,000 in Outer-Mongolia. Also there are reputed to be 1,200 planes and a submarine fleet of considerable size in Vladivostok harbor.

First was Gen. ChiangKai-shek's statement of determination to continue the fight and equal determination not to be distracted by cleverly disseminated rumors of secret peace negotiations by the Japanese and their European allies, particularly the Italians. Gen. Chiang declared that the rumors of peace intrigue were being circulated for the purpose of undermining friendship between China and her friends, particularly the Soviet Union.

Even though China desired mediation, the mediator could not, in any circumstance, be Italy, was Gen. Chiang's declaration. He then added that this statement could also be taken as representing the feelings of the Chinese people on the subject.

Wang Ching-wei, Deputy *Tsung-Tsai* of the Kuomintang Party also denied participation in the Japanese-Italian inspired rumors of secret peace negotiations.

China would welcome foreign mediation, but such mediation, to be successful, must be undertaken by the democratic powers, was the purport of statement issued by Quo Tai-chi, Chinese Ambassador at London, who expressed the hope that the United States and Great Britain would participate in Sino-Japanese peace negotiations, "when the time comes."

CHINA'S STATUS RAISED

The international status of China has been considerably elevated as a result of her resistance to the Japanese invasion, according to Sun Fo, President of the Legislative Yuan, who returned to Hankow from a six-month mission in Europe. Mr. Sun narrowly escaped death by taking the Eurasia airplane instead of the C.N.A.C. airliner, "Kwei Lin," which was attacked by Japanese aircraft, resulting in the killing of 14 passengers and destruction of the machine.

The bravery and loyalty of the Chinese rank and file at the front, Mr. Sun said, have won the admiration of the world. The remarkable discipline of the Chinese people also has aroused the highest praise of China's friends abroad. These are the elements which make for ultimate victory, he declared.

Sun's return immediately gave rise to innumerable rumors, one from Japanese sources that he had recommended the following program for Sino-Soviet relations:

1. Since China cannot relay on Britain and America, she should therefore, solely depend upon Soviet Russia for assistance.
2. China should accept the advice of Soviet Russia and maintain close relations between the Kuomintang and the Chinese Communist Party.
3. Soviet Russia should be asked to send military experts and more arms to China.
4. Eugene Chen should be appointed Chinese Ambassador to Moscow.
5. A special department should be created in the Ministry of Foreign Affairs to attend to relations with Soviet Russia; the department to be officered by pro-Soviet officials and Communist leaders.

Sun bitterly deplored that Britain would not move to assist China or take steps to guard her own interest in the Far East. Japan, he said, would wage determined war on the British Empire if her campaign in China succeeded.

Charged with the difficult mission of improving Sino-German relations, Chen Chieh, new Chinese Ambassador to Germany, sailed from Hongkong last week for Berlin. Mr. Chen said that it was obvious that the German Government did not have any comprehension of the situation in China.

Commenting on Ambassador Chen's mission, Eugene Chen, former Chinese Foreign Minister, in a statement published in the Hongkong *Herald*, explained why Germany sacrificed her friendship for China to curry favor with the Japanese. Referring to Hitler's determination to crush France, dismember Czecho-Slovakia, to undermine British security in the Mediterranean through a Nazi-Fascist Spain, and conquer new land "at the expense of Russia," Mr. Chen said, Germany needs the co-operation of Japanese war-power to overwhelm Soviet Russia in a war on two fronts, with Germany in Europe and with Japan in Eastern Asia. For this co-operation, Hitler must pay a price; since Japan desires China "in order to expel the White man from Asia," the Nazi dictator must sacrifice German "friendship" for China to found his Greater Germany on the destruction of Soviet power.

Chen declared that the Chinese people as a whole profoundly regret this orientation of German foreign policy, since it crushes powerful links destined to hold China and Germany in durable friendship. There are doubtless many individual Germans, who share this regret, but they are powerless to influence the German Foreign Office, now controlled by Herr Von Ribentrop, who is known as the chief artificer of the Anti-Comintern program.

Rumors of an alleged Kuomintang-Communist rift,

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were again disseminated by the Japanese. The Kuomintang was charged with attempting to curb the red influence in China, while Communists allegedly were dissatisfied with the policies of the National Government. The Communists were said to resent particularly frequent suspension of the *Hsin Hua Jih Pao*, and the disbandment of various Communist organizations in Hankow.

In order to combat the growing Communist influence, some members of the Right Wing of Kuomintang had gone to Shanghai from Hankow to organise a new party to be known as New Kuomintang, *Shanghai Nippo* alleged.

The Ministry of Foreign Affairs at Chungking instructed Chinese diplomatic representatives abroad to notify the various Powers of the illegal use of poison gas by the Japanese troops in the drive on the Yangtsze front.

An appeal to the World Youths' Conference, in session in New York, to urge Governments of various European and American countries to sever economic relations with Japan in order to force her to abandon her invasion of China was broadcast over the radio in Canton (Aug. 24) by Madame Sun Yat-sen, widow of the founder of the Chinese Republic.

In a further message to the American people, Madame Sun made the pointed remark: "I know their sympathy is with China. But do you know that most of the bullets which kill our soldiers at the front, most of the bombs which have fallen on the defenceless population in Canton are made from American metal? The planes which bomb us fly on American oil. Often they have American engines and propellers . . . . What are the American people going to do about the kind of 'neutrality' that make these things (Japan's invasion of China and menace to the Phillipine and Haiwaii Islands) possible."

Despite wrangling and discord extending over several months which precipitated one Cabinet crisis resulting in the resignation of Foreign Minister Koki Hirota, the question of the establishment of a so-called "China Affairs Bureau" is still idle talk in the Japanese capital. Latest reports from Tokyo state that the establishment of such a bureau on a large scale was contemplated, but owing to disagreement among various ministries as to control of the organ, no date of its formation could be fixed. It was expected that when established, the Bureau would control all Japanese activities in China, including political, economic and cultural affairs, and at the same time supervise the two Japanese exploitation corporations in China, the North China Development Company and the Central China Rehabilitation Company.

Tokyo authorities are contemplating in the meantime the organization of a "Special China Council" to direct and control all Japanese political, economic and cultural activities in Japanese occupied areas.

Evidencing a shortage of man-power, the Japanese Government has ordered the mobilization of Japanese literati for China warfare. Twenty Japanese writers, constituting the first group recently sailed from Japan for China to join the Japanese forces in the "big push" on Hankow. Simultaneously, the Tokyo *Asahi* announced, it was sending 30 more reporters to China to cover the forthcoming battle of the middle-Yangtsze.

Relations between Japan and France remained strained. Foreign press reports that Japan had "accepted" the French occupation of the Paracel Islands were denied by the Tokyo Foreign Office. The Tokyo daily, *Miyako*, severely criticised the French attitude towards Japan, commenting on reports alleging that France had acquired a long-term lease of Hainan Island from Gen. Chiang Kai-shek as a condition for continued French assistance. "Japan has the right to occupy the Hainan island . . . . Japan will not recognize any agreement concluded between China and a third Power, after the outbreak of present hostilities."

Japanese also alleged that Great Britain and France had concluded a secret military agreement to retard the Japanese advance on the Wuhan cities, while the armed might of Soviet Russia was to be used against Japan "indirectly." The agreement was said to have been concluded following the recent visit to Paris of King George. The terms of the alleged accord were said to be:

1. To bring diplomatic pressure to bear on Japan by stressing demands for the protection of third-party interests, so that the advance on Wuhan will be slowed up, while utilizing indirectly the military strength of the Soviet.
2. To continue to place emphasis on diplomatic steps in protecting South China from Japanese encroachment after the fall of Wuhan, simultaneously instigating the Soviet Union into starting trouble in the northwest so as to steer the spearhead of the Japanese attack towards the Red Route linking China and the U.S.S.R.
3. To make Kwangtung and Kwangsi independent of the Chiang Kai-shek regime at some opportune moment so as to stave-off a Japanese attack and also automatically to bring South China within the orbit of joint Anglo-French influence.
4. To lay the groundwork for an armistice by keeping a vigilant eye on the stability of the Chiang regime and the strength of its troops.

International trade competition and political rivalry in the Far East were cited as the two main reasons for present anti-British sentiments in Japan, according to the Tokyo correspondent of *The London Times*. The correspondent said that there were anti-British elements in the Japanese Army, every branch of the civil service and among the business men. Generally, most people under 45 years of age in various walks of life were inimical to the British people. Young Japanese army officers were particularly bitter against Britain because they regard England as an obstacle to Japanese expansion in China.

In face of Anglo-French opposition to her activities in China, Japan was prompted to seek further strengthening of her co-operation with Nazi Germany, her chief European ally. "Japan sincerely desires co-operation with those who are shaping the future of German," Premier Prince Konoye told the members of the Hitler Youth Mission now visiting in Tokyo. He said that Japan and Germany concluded the anti-Commintern Pact in order to struggle against Communism.

Announcement was made in Tokyo of the conclusion of a triangular trade agreement with a protocol signed on July 5 by representatives of Italy, "Manchukuo," and Japan.

Reorganization of the "Provisional" Government at Peiping early in September was reported by *Domei*. According to tentative plans, a "garrison army" would be organized and two outstanding Pro-Japanese politicians would be given important posts, namely, Wang I-tang as Minister of Interior and Tsao Ju-lin as Minister of Finance.

Wang is now visiting in Shanghai, staying at that "nest of intrigue" the New Asia Hotel. He was reported to be negotiating with Liang Hung-chi and Chen Chun, leaders of the Nanking regime, on the question of amalgamation of the two puppet set-ups.

DAUGHTER DENOUNCES FATHER

Wang Keh-min, who found high favor with his Japanese masters as chief puppet in North China, has been disavowed by his own daughter for treason. Miss Wang Cheng-tung, fourth daughter, a former Yenching student, publicly denounced her father for his traitorous actions. She is now in Hongkong, on her way to Hankow, where she intends to offer her services to the Government in an effort to atone for the sins of her father.

Li Fu-ho, commander of a Pro-Japanese unit called the "First Huang Hsieh Chun" (Army Assisting the Imperial Japanese Army),

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was killed by his men on August 9 at Shihchiachwang. More than half of his men have joined the Chinese guerillas to fight the Japanese.

The so-called East Asia Cultural Council was established at Tokyo on Aug. 30 with Tang Er-ho, Japanese-educated physician, now holding the position as "Minister of Education" in the Peiping regime, as Chairman.

A new law court was opened in Hsuchow on Sept. 1 to deal with registration and management of real estate and try civil cases, according to Japanese report. District Courts were also reported to be functioning in Soochow, Changchow, Changshu and other Kiangsu cities under Japanese occupation.

The Japanese people were duped into fighting in China, stated Hirato Makino, a locomotive engineer in Tokyo, who was recently captured by Chinese guerillas on the Peiping-Suiyuan Railway.

A foreign traveller, recently arriving at Hankow after a 2,000-mile trip through six North China provinces, reported that the Chinese administrative machinery, in constant radio touch with Hankow and Chungking, was running smoothly behind the Japanese lines and that the people there were steadily growing in strength for partisan warfare against enemy troops.

Chen Lu, "Foreign Minister" of the Nanking regime declared (Aug. 27) that treaties and contracts concluded between Foreign Powers and the Nationalist Government in Hankow after establishment of the "Reformed Government" would not be recognized by the new administration. Nanking's foreign policy, he added, was designed to enhance the relations between China and Japan.

Having failed to seize the First Special District Court in the International Settlement, the Nanking regime was alleged to have decided to establish a separate court in Wayside and Yangtszepoo areas with Liang Hung-chih, head of Nanking, as president, according to Chinese report.

Chen Chung-fu, who recently arrived at Shanghai from North China with Gen. Doihara, Japan's state-sleuth and intriguer, was said to have been accepted by Japanese military as the candidate for the post of Mayor of Shanghai to succeed Soo Hsi-wen. Chen was previously reported to be slated for a chairmanship at Nanking, but apparently preferred the substantial post of mayor of Shanghai. Chen was backed by the Japanese army, while Soo Hsi-wen had the support of the Japanese navy. Whether Chen would be able to displace Soo still remained a question.

After assassination of Ku Hsing-yi, Chairman of the Rice-Dealders' Guild of Shanghai, a certain Chow Shiu-chou had been engaged by the Japanese to purchase rice and other foodstuffs for the Japanese military in Kiangsu and other occupied areas.

Chu Yao was appointed by the Japanese as director of the Tung Chi Bureau which would be entrusted with the transportation of commodities to and from Japanese occupied districts.

Zang Nyoh-tsing or Chang Yu-chin, operator of bath-houses, who, as head of the Huang Tao Hui (Yellow Way Society) was responsible for the assassination of the Chinese chief detective on the S. M. C. Loh Lien-kwei, fled to Wusih in order to escape apprehension. Zang has now became a "General" as Garrison Commander of the Shanghai-Nanking and Shanghai-Hangchow Areas" and concurrently high advisor to Nanking Ministry of the Interior.

The Hangchow municipal government was planning to open a municipal bank. A so-called Self-Protection Corps consisting of 60 young Chinese impressed into service by the Japanese military was organised in Nantungchow, according to Japanese report.

Serious trouble was reported to have occurred in Japanese army in Nanking, when more than 7,000 Korean troops there were detained by the Japanese military, because of anti-war sentiments. A clash occurred between these Korean troops and the Japanese military command which refused to grant their request to be disarmed and relieved of their duties. The Japanese Army again, refused to permit foreign newspapermen to visit Nanking.

Waseda and Keio Universities in Tokyo are planning to open branches in Peiping. Representatives of the two institutions are now in Peiping conferring with the Japanese authorities on the matter.

A Japanese language school was opened on Sept. 1. on North Szechuen Road. Some 60 students were enrolled.

Eighty-two periodicals and newspapers have suspended publication in Shanghai, according to a report issued by the Shanghai Municipal Police. At present, a total of 221 publications are being issued in Shanghai.

Hat Exporters Ask for Foreign Exchange

Hundreds of thousands of women workers were thrown out of work in Ningpo, Taichow and Shaoshing (Chekiang Province) as the hat manufacturing firms cannot obtain foreign exchange to buy the necessary raw materials from the Philippine Islands, following the introduction of the new measures of foreign exchange control.

In a petition to the Ministry of Finance, the hat exporters declared that the hat business is not only giving work to hundreds of thousands of farmers but an important item of export. The annual export of hats is valued at $80,000,000. The exporters hoped that the Government will give them foreign exchange to buy the necessary raw materials, so that the hat making industry in the Chekiang villages can be resumed.

JAPAN'S WARLORDS PLAY THE "OLD ARMY GAME"

Japan's assimilation of ideas Western apparently has extended to the "old Army game: never give a sucker an even break."

This week, the Imperial Japanese Army, in cahoots with Japan's vested interests, began playing the Tokyo Stock Market.

Along with the otherwise gloomy financial situation in Nippon, stocks have been in the dumps. The reason: among other melancholy facts, sad news from the war fronts had trickled into the country. Result: bear market.

In Shanghai, on Augusi 29, 30, 31, news editors pondered over the unusually heavy flood of army "victory" reports by the Japanese news agency, *Domei*, in complete variance with Chinese and neutral observations. Explanation came late August 31 from Tokyo:

"Bulls were riding high in the Tokyo Stock Market yesterday as a series of 'Victory Reports' from the China fronts shot up the quotations on the big board. Inspired by news of the speeding advance on Hankow, brokers went to town. Stocks over a wide front registered one to four yen gains. Leading the advance were speculative shares, rayons, shipping and coal issues."

Significance: Japan's vested interests gains' are the butcher, the baker, the candlestick maker's losses.

Japanese Reported Using Poison Gas

The Ministry of Foreign Affairs has instructed the Chinese Embassies and Legations abroad to inform the various foreign Governments of the recent use of poison gas by the Japanese against Chinese troops at Chuchwang, north-east of Juichang, in Kiangsi. Two Chinese battalions were wiped out by the Japanese poison gas, *Kuo Min* reported. The Chinese delegation in Geneva has also been instructed to notify the League of Nations of the Japanese use of poison gas.

A spokesman of the Japanese War Ministry August 26 denied a Chinese allegation presented to Mr. Joseph Avenoll, Director-General of the Secretariat of the League of Nations, that the Japanese forces annihilated two Chinese battalions at a battle near Chuchwang in Kiangsi August 22 by using poison gas. The spokesman said the Japanese troops do not use poison gas. He pointed to the fact that it is prohibited by international law.

"The Japanese forces may sometimes use harmless smoke screens, but the Chinese allegation that the Japanese troops have used poison gas is nothing but a fabrication," he stated. "On the contrary, the Chinese themselves actually are resorting to poison gas or bacteria. Such Chinese slander against the Japanese can be attributed to the Chinese attempt to gloss over their own acts. The most glaring example of the Chinese use of poison gas was seen at a battel in the vicinity of Hsinkowchen in Shansi Province Oct. 23 of last year.

"After the capture of Hsuchow in Kiangsu the Japanese discovered cholera germs in 28 out of 32 wells in the city. Moreover, there was once found a large quantity of poison gas in Chinese armored trains captured by the Japanese forces. It is the Chinese, not the Japanese troops, that should be condemned from the standpoint of humanitarian principles."

Doctor's Report on Gas

A detailed report on the conditions of nineteen Chinese soldiers alleged to have been incapacitated by poison gas while fighting on the Yangtsze front from July 2 to 5, was presented on August 9 to Avenol by M. Hoo Chi-tsai, Director of the Chinese Permanent Delegation," Bureau at Geneva. The report in quesiton is signed by Dr. Talbot, British physicain attached to the Nanchang Hospital, who declares that nineteen Chinese soldiers brought back from the Yangtsze front following hostilities from July 2 to 5, 1938, were victims of poison gas. "All of them were examined at Nanchang, and according to my observations, they had all suffered from poison gas, of a kind such as mustared or chlorine gas," Dr. Talbot's document asserted.

Japanese Bomb Catholic Church

Committing further outrages against the lives and properties of nationals of Third Powers, two Japanese airplanes raided and machine-gunned the French Catholic Church at Kweichih, on the southern bank of the Yangtsze River, in southern Anhwei, on August 11 and 15, Chinese reported this week. It is stated that three French bishops were wounded. The French Flag was clearly displayed on the roof of the Church during the aerial bombardment of Kweichih.

WAR IN EUROPE?

THIS week, the man-in-the-street in London, Paris, Shanghai, Timbuctoo, New York, Peoria and every city and town throughout the civilized world went about his business with a growing nausea in the pit of his stomach, wondering whether the morrow would tell the story of the thunder of cannon across the European continent, whether the hodge-podge of highly-nationalistic nations would be locked in deadly combat. To such questions, the man-in-the-street in Berlin, Prague, Vienna, Warsaw or Oberleutensdorf had no answer. They feared, but the fate of the world was held in the hands of Reichsfuehrer Adolf Hitler, Lord Runciman and other British diplomats.

This week, the threat of war in Europe was the most ominous one since 1914. As war clouds began to descend over the entire continent, encompassing the British Isles, British cabinet members and British diplomats from key European capitals gathered in London on August 29 to discuss the mobilization of British fighting forces to meet any military eventuality or diplomatic moves by Hitler in Central Europe. On the same day, the *United Press* reported that informed quarters in London believed Britain was preparing to issue a blunt, direct warning to Hitler against precipitating a European war over the Czechoslovak crisis.

The speech on August 27 in Scotland by Sir John Simon, Chancellor of the Exchequer, apparently was only the beginning of Britain's course of action since Britain, aided by France, has thrown her full diplomatic and military strength into the European crisis which may decide the question of peace or war within the next few days. One of the most significant developments in London last weekend was the arrival of the British Ambassador to Berlin, Sir Neville Henderson, to confer with key members of the cabinet on August 30. Prime Minister Neville Chamberlain and Foreign Secretary Fiscount Halifax were to participate in the important conference which was expected to have a decisive effect on the European crisis.

The British Foreign Office indicated that it was dissatisfied with the results of recent polite reminders to Herr Hitler that he should not bring pressure against the Czechoslovak Government on behalf of the Sudeten Germans. Some authoritative sources believed Henderson would return to Germany with a strong message for delivery to Herr Hitler.

British apprehension heightened this week because nearly 1,500,000 Germans will be on a wartime footing on September 5 when the Nuremberg Congress convenes.

Peace Or War

Developments contributing to the belief that a peace or war showdown was imminent in Europe included:

The surprise conference between Herr Konrad Henlein, Sudeten German leader, and Lord Runciman, British mediator in Czechoslovakia. Lord Runciman was believed to have made a final appeal to the Sudetens to renew negotiations with the Prague Government in an attempt to settle the minority problems which have precipitated the present crisis.

German rejection of the speech by Sir John Simon. Flat rejection of the British veiled warning was seen in the announcement at the Stuttgart Foreign Organization Congress today when 70,000 Germans living abroad were told that the annexation of Austria by German was evidence of German determination to defend German minorities throughout the world.

Confirmation of reports that Herr Hitler had sounded out to the Soviet Union, Yugoslavia and Rumania regarding their attitudes in the event Germany took "certain steps" in Czechoslovakia.

Paris reports that German Nazi leaders were over-riding the views of German military leaders who believe Germany is not yet prepared for war. The Nazis were said to be demanding more forceful action immediately.

A half dozen European Governments were armed in readiness for any outbreak of hostilities.

Rarely in the past 20 years has a Sunday been filled with such a flurry of international activity as was the case throughout Europe on August 28. Apparently European chancellories were struggling against time, since many authoritative quarters regard the Nuremburg Congress on September 5 as the deadline for the appeasement of the European situation. Observers feared that unless a solution to the Sudeten problem at least was under way by September 5, Herr Hitler would spring a new surprise in Central Europe.

Sir John's Speech

Sir John Simon, in his speech in Scotland, reaffirmed the British attitude towards Czechoslovakia, as outlined in Premier Neville Chamberlain's declaration to the House of Commons on March 24, appealed for support of Lord Runciman's mission of conciliation, and pleaded with the world to maintain peace.

Defining the British Government's general policy in the realm of foreign affairs. Sir John stated that it was a "positive policy of peace."

"For my part," he said, "I repudiate altogether the outlook which is tempted to say that war is inevitable, as though certain countries were bound to be our enemies. Our re-armament raises no distrust among other nations, because all the world knows that our arms will never be used for an aggressive purpose, and that Great Britain is making herself strong in order that she may herself be safe, and thus be a safe and effective friend."

Expressing regret that the League of Nations was gravely weakened by the absence of a number of important nations, Sir John declared that the League ideal—substituting reason and law for force—was a fine and inspiring one.

Hull's Statement

At the time Sir John was speaking in Scotland, Secretary of State Cordell Hull was expressing similar opinions in Washington. Hull also warned Europe against the dangers of war involved in the Czechoslovak issue, and called attention to the fact that August 27 was the 10th anniversary of the signing of the Kellogg Anti-War Pact, and among the nations who initialed this pact were Germany, Italy and Japan.

"It is the great tragedy of today," Hull said, "that although modern experience has demonstrated that not even victory can gain from war, in certain parts of the world strife and conflict are bringing untold misery to millions and in other parts, the idea of warfare is actually being glorified. Governments and people can not be unmindful of their obligations and responsibilities for on the observance or non-observance of solemn pledges made 10 years ago depends the preservation of all this is valuable and worthwhile in the life of each and every nation."

U.S. Reaction to British Views

World reaction to the declarations of Sir John were equally as enthusiastic and condemning as was the response which met the statements of President Roosevelt and Secretary Hull made on August 15 and 18.

Hull implied that he approved the substance of the speech, and in answer to a question whether American policy ran parallel with that of Britian on the preservation of peace, he said that America's record for similarity of thought with Britain on that subject "spoke for itself."

The *New York Post* said: "Britain will fight. The Reich is warned." The *New York Herald Tribune* said that it was a mere reassertion of the address by Chamberlain, but that in its present circumstances it constituted as strong a warning at the British government could possible give. "Is this contribution enough?" the paper queried. "No once except Herr Hitler can answer this question and even he perhaps cannot foresee the full power of all the forces which he has unleashed both within and outside his country."

The journal stated that Americans could not fail to see the significance of Sir John's allusion to the speeches recently made by President Roosevelt and Secretary of State Cordell Hull. "It is at the same time a claim on American support if a catastrophe should come and a skilful means of mobilizing the threat of American intervention behind the British warning in an effort to prevent one."

This allusion is not unjustified, the paper continued, if one considered how far the President and the Secretary of State have gone in their support of Britain's policy in Europe. "Clearly, they themselves have desired to throw the threatening weight of America into the scales of Germany's calculations, while they have assisted in creating a situation in which, should a great European war actually come, it would be extraordinarily difficult to preserve the United States from an early involvment in it."

Europe's Crisis at a Glance

The European crisis in a nutshell: Hitler wants to absorb Czechoslovakia. In order to pave the way for a peaceful (like the Austrian Anchluss) or not so peaceful (war) annexation, Germany's Nazi Party has inspired the agitation among the German Sudeten Party. The Sudetens want "autonomy" but not exactly of the self-government type. They demand to govern the Germans in Czechoslovakia on Nazi totalitarian principles. They demand the sole appointing power in the German regions in order to leave unrepresented the German Social Democrats (workers') party and the half million Czechs who live among them. They insist on setting up the eight divided districts where the Germans are in a majority as self-governing units and demand that Prague deal only with on "spokesman" for the whole German-speaking group, Herr Henlein. Through all this, the Prague government has refused to turn to dictorial methods and tired to negotiate for the satisfaction of the minorities. This "side-stepping" has irked Hitler, resulted in numerous border incidents, demonstrations in Germany and Czechoslovakia. Hitler is determined that the Sudetens are to gain a dominating position (not mere epuality), so that the Nazis can crush democratic institutions, and master the country for Germany both economically and politically.

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Churchill Sees Danger

In London, Winston Churchill, famous Tory leader, stressed the extreme gravity of the repercussions which would result from a German intervention in Czechoslovakia.

"War certainly is not inevitable but the danger to peace will not be removed until the vast German effectives which have been called from their homes into the ranks are dispersed," he said. "For a country which itself is not threatened by anyone, to place over one million five hundred thousand slodiers upon a war footing is very grave. But it may be that outside forces, larger and fiercer ambitions, may prevent this settlement, and then Europe and the civilized world will have to face the demands of Nazi Germany or perhaps be confronted—and this is a possibility which you mustn't exclude—with some sudden violent action on the part of German Nazi party, carrying with it the invasion of a neighbor country," he added. "Such an episode would not be simply an attack upon Czechoslovakia; it would be an outrage against civilization and the freedom of the whole world. Every country would ask itself whose turn it would be next."

Paris Comments

The Paris newspaper *Le Populaire* said that Britain's position as defined by Sir John Simon and Churchill, is that of the entire country. "Germany cannot have the least doubts on this question," the journal added. "We hope that this warning by Great Britain, approved by the United States, will have salutary effects."

The rightist organ *L'Epoque* stated that "by a happy coincidence Mr. Hull's statement to the press strengthened the address made by Sir John Simon. The United States has declared herself in agreement with Great Britain on the general lines of the latter's policy. Anglo-Saxon friendship and solidarity is asserting itself with renewed vigor. The Reich knows to what she will lay herself open if she pushes things to the extreme."

THE GUARDIAN ANGEL

New York Times

John Bull: "But, Adolf, the sword doesn's go with that costume."

According to the leftist paper *L'Oeuvre*, "Great Britain has never outlined her stand in so emphatic terms. Indeed, the reports from Berlin revealed a certain let-up in the violent campaign against Czechoslovakia," the journal added.

Germans Bitter

In Germany, the press registered extreme disappointment. This disappointment is based mainly on the grounds that the speech did not do justice to the Sudeten cause and that it made clear that Britain could not be regarded merely as a spectator to what happened in Central Europe.

The official Nazi Party organ, the *Voelkischer Beobachter*, described the speech as "ambiguous and unfortunate," and considered that it will have a similar effect to Mr. Neville Chamberlain's speech in March and "stiffen the Czech resistance against a reasonable settlement. Perhaps, this was the effect intended."

The *National-Zeitung* declared that Berlin read that part of the speech referring to the possibility of war and its effects with special appoyance. "It should have been evident to Sir John Simon," it said, "that it is useless to direct such threats to the wrong address On has Britain already made up her mind about future developments and relinquished any idea of changing Prague's policy?"

Prague and Rome Responses

In Prague, Czecho authoritative quarters expressed approval, and remarked that the speech showed that Britain is throwing the whole of her weight on the side of peace. Nevertheless, they declared, the speech revealed that there are limits to Britain's passive attitude.

In Rome, observers said they were highly impressed by the unreserved condemnation of violence in international relations voiced by Sir John. They were particularly satisfied with his affirmation that Britain does not intend to base her foreign policy on the principle that no friendship is possible with powers who internal structure is radically different from Britain's own.

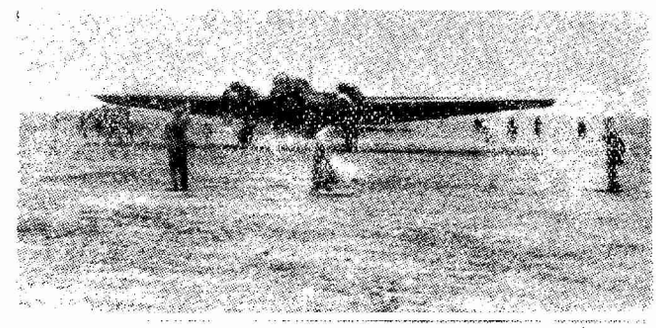

Photo by Julius Eigner in the China Journal.

One of the three Martin bombers which the Chinese used to "bombard" Japanese cities with Chinese peace pamphlets.

U.S. Says Japan's Foreign Trade Improving

Japan's foreign trade appears relatively good today because of increased exports of the so-called yen bloc of countries including Manchukuo and north China which partly was offset, however, by heavy exports and losses elsewhere, the *United Press* reported from Washington.

The Department of Commerce said that exports from the yen bloc have not furnjished Japan with foreign exchange and therefore are not equally valuable with exports from Japan proper. It was pointed out that exports for the first five months of the year from the yen bloc, including Kwantung, amounted to U.S.$415,000,000 compared to U.S.$324,000,000 in the same period last year.

Japan's favorable balance of trade was U.S.$152,000,000 compared with U.S.$99,000,000 in 1937. The favorable balance with the yen block substantially counteracted the unfavorable balance of U.S.$295,000,000 with other countries. However, the transactions have provided no foreign exchange which is needed for the purchase of raw materials for Japan's factories. Japan's five months total of exports was U.S.$583,000,000 compared to U.S.$922,000,000 last year. Imports of U.S.$879,000,000 compared with U.S.$ 15,039,000,000. The yen bloc countries are not included in the above figures.

Any country that first decides to assist Japan by granting her a financial loan or economy credit will benefit most when peace comes to the Orient," Ernest W. James, chairman of the Foreign Chamber of Commerce of Kobe and Osaka last week told the British-managed Kobe Chronicle prior to his departure for Vancouver, B.C. on a two month furlough. Expressing confidence in the financial stability of Japan and in the recovery of export trade, James stated that there was no fear that the yen would be devaluated because of Government action or through the pressure of events.

Pointing out that Japan is one of few countries that never defaulted foreign or domestic debts, James said: "Japan's credit is good. Those who believe Japan is heading toward economic collapse have their money on the wrong horse," James was quoted as saying. "It is true there are economic regulations and they are very strict but Japan is not an European country and it is misleading to judge effects from an European viewpoint. It would be hard for an European to have to use wooden shoes but no hardship at all for a Japanese."

Japan will not return to a "free economy" system while the present controlled economy is continued, even after the termination of the China hostilities, in view of the international political and economic situation. This was the view expressed by Chokuyo Murase, Vice-Minister of Commerce, at a conference of provincial police commissioners of eastern Japan. He said the controlled economy policy probably will be strengthened in the future.

The need for strengthening the controlled economy plan is realized by the Government, he stated, because of the projected expansion of productive capacity of industries, reconstruction projects in China and national defense policies in the future.

Scrap Iron Campaign

Moving to make Japan scrap iron conscious, an officially sponsored drive for the collection of discarded metal was launched throughout the nation this week. The Ministry of Commerce and Industry simultaneously announced plans for the establishment of a semi-official company, capitalized at Yen 2,000,000, for the collection of scrap iron from individuals as well as groups for sale to the munitions industry.

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America Aroused Over Japan's Attack on C.N.A.C. Plane

A review of Japan's murderous attack on the China National Aviation Corporation's Hongkong-Chungking airliner on August 24, in which 14 Chinese civilians lost their lives, has led observers to the logical conclusion: that Japan, regardless of world opinion, is going to continue her massacre of Chinese civilians; that Japan is continuing her policy of wrecking American interests in order that she may displace them with her own or those of her brother Fascists.

Newsmen also privately expressed the opinion that the "getting" of Sun Fo, president of the Legislative Yuan, who was returning to Hankow after conferences with Soviet leaders in Moscow, figured in the plot. Sun Fo, son of the founder of the Chinese republic, missed death by cancelling reservations on the C.N.A.C. plane, and boarding the Eurasia airliner one half hour later.

What led observers to believe that Japan wanted to "wash out" the C.N.A.C. air service in China, 49 per cent of the stock of which is held by an American corporation, was the Japanese spokesman's warning that similar accidents might take place in the future. The spokesman, in answer to a news correspondent's question of what assurance civilian passengers might obtain

JAPAN'S ANSWER TO HULL PROTESTS

Parrish, in Chicago Tribune

against future attacks, said "The best thing to do is stay out of the air," and added, "but we advise you to travel Eurasia" (Eurasia Aviation Corporation, in which the German Lufthansa is interested).

American Protest

Two days after Japanese planes had grounded and riddled the plane and its occupants, Secretary of State Cordell Hull, following a study of detailed reports of the affair, instructed America's Tokyo Ambassador, Joseph Grew, to deliver the American government's protest to the Japanese Foreign Office. While the note condemned the jeopardizing of American lives and the "unwarranted attack" by Japanese war planes, they were many who thought that the protest was insufficiently strong.

Grew was instructed to inform the Japanese Government that the United States sternly protested the attacked which resulted in the deaths of non-combatants riding in a plane, in which an American concern had a "very substantial interest." and which jeopardized the life of an American pilot, the *United Press* reported. Hull also also informed Grew to protest the destruction of of property part of which belonged to American interests.

Hull's protest particularly emphasized that the report of the pilot, H. L. Wood, stated definitely that the Japanese planes continued to machine-gun the Kwei Lin after it was forced down on the river. The Secretary of State also called the Japanese Government's attention to the fact that its warplanes turned their machine-guns on the passengers who attempted to swim ashore. Hull told the Tokyo Government that the attack on the commercial and civilian plane of the Sino-American company had "aroused public feeling in the United States."

Hull said in the note that "not only the life of an American national was directly imperiled but loss was also occasion to American property and interests as the Pan-American Airways has a very substantial interest in the China National Aviation Corporation. The Secretary of State specifically called attention to the American pilot's account of the machine-gunning of the plane and passengers after the landing of the commercial transport in a river.

"My Government," Hull wrote, "desires to express an emphatic objection to jeopardizing in this way the lives of Americans as well as other non-combatant occupants of unarmed civilian planes engaged clearly in recognized and established commercial services over a regularly scheduled air route."

No Answer from Japan

The next day, August 27, Tokyo said that an immediate reply to the strongly-worded note of the American government could not be given. The Foreign Office explained that discrepancies between the official Japanese version of the incident and the version cited in the American Note would require additional investigation.

On August 31, a Foreign Office spokesman said America's protest would be rejected on "factual grounds," indicating that the Japanese version did not coincide with the American version. Tokyo dipomatic quarters were not certain which Japanese version would be cited in the rejection of Hull's protest. In one story they admitted machine gunning the plane; in another they denied it.

At the same time, reports said America was understood to have decided to reject any Japanese explanation which denies that the Japanese military planes machine-gunned the commercial plane Kwei Lin after it landed on the River. The official Foreign Office version released in Tokyo and Shanghai stated boldly that "our naval planes left without firing" after the ship was forced down.

Meantime, it was reported that Ambassador Grew, the first and second secretaries of the United States Embassy in Tokyo, Joseph F. McGurk and Edward S. Crocker, had abandoned plans for a short vacation, awaiting Japan's reply.

When, early in the morning of August 24, Pilot Wood of the C.N.A.C. liner, Kwei Lin, sighted five Japanese pursuit planes at his tail, his attempt to evade them failed. The planes opened up with machine-gun fire and Pilot wood dove the water of Pearl River, near the Canton Delta. When his plane hit the water, the five ships swooped over him, riddling the ship. From this riddled ship, only three were known to have escaped; the pilot, a Chinese radio man, and an official of the Ministry of Finance.

Bodies Recovered

The plane sank quickly, and despite frantic efforts of salvage workers, by August 29, 14 bodies had been recovered, 12 of which had been identified. Those identified were:

(1) Mr. Wong Yu-mei, chief of the confidential secretariat of the Central Bank of China; (2) Mr. Loh Yi, instructor at the Berlin University; (3) Mr. Liu Chung-chuan, co-pilot and a brother of Dr. Liu Chung-chieh, formerly Chinese minister to Berlin; (4) Mrs. Hsu Un-yuan; (5) Mrs. Li Chai-sen; (6) Mrs. Sidney Yang; (7) Mr. Wu Ching-hua, steward; (8) Mr. Hu Pih-kiang; (9) Master Henry Chung; and (10) Master Li Teh-lin; (11) Hsu Sing-loh; (12) Mr. Wang Wen-lung. One of the bodies was riddled with 13 bullets.

Chinese national flags were at half-mast August 28 to mourn the death of Mr. Hsu Sing-loh, one of the best known civic leaders.

Despite the Japanese spokesman's suggestion to "use Eurasia," the company on August 28 suspended its air service between Hongkong and Hankow. The C.N.A.C. had already left Hankow off its ports of call. With the temporary suspension of through traffic on the Canton-Hankow railway this week, China's capital for a few days was cut off from the outside world except via Indo-China.

Arising out of the attack on the plane a sharp protest was lodged by the British Embassy with the Japanese Minister-at-Large, Mr. M. Tani, calling attention to the action of the Japanese censors in holding up telegrams addressed to the British news agency, Messrs. *Reuters*.

Addressed in writing by the British Ambassador, the protest, it is understood, questions the authority of the Japanese censors to interfere with British telegrams or cables entering or leaving Shanghai, and points out that such action is a definite breach of treaty rights. Messages transmitted to the British news agency regarding the attack on the C.N.A.C. plane were held up by the Japanese censors on the grounds that they might interfere with Japan's military campaign in China.

Japanese Version

Japanese reports in Peiping Chinese newspapers said the plane disaster was a result of the Chinese passenger plane having been forced down by "engine frouble." One Japanese report said foreign dispatches claimed the C.N.A.C. plane had been machine-gunned by Japanese planes. but most Chinese papers did not publish this report. The Chinese press in Peiping appeared jubilant over the disaster which resulted from the Japanese aerial attack on the civilian plane. The reports said the death of two Chinese bankers aboard the plane would have a great effect on the morale of the Hankow Government.

86-018

Monocacy Has Close Call as War Rages Along Yangtsze

THIS week, War and State departments' officials at Washington studying dots on the China map west of Juichang and south of Kiukiang where China's and Japan's armies fought savagely, paused to eye a spot on the Yangtsze river where the U.S.S. Monocacy was anchored on August 27. When Japanese mine-sweepers gave the signal, "All Clear," the Monocacy got under way only to find several mines bearing down upon her. When it appeared that the ship had no chance of missing them, they swerved with the current and exploded as they went by. The gunboat was roughly shaken, the low decks sprayed with water, but neither vessel or men suffered injury.

Shanghai's American naval officials gave no credence to first suspicions that it was a deliberate Japanese attempt to blow up the Monocacy, said they believed the blast purely accidental.

Meantime, the war raged, with heavy fighting on all fronts, opposing lines extending from the north bank of the Yellow river in Shansi province, through Luan and Hoshan, in northwestern Anhwei, down to the south bank of the Yangtsze river.

On August 30, Chinese admitted that Japanese had occupied Fenglingtu, the Yellow river crossing opposite Tungkwan, as well as Luan and Hoshan, but their attacks west of Juichang, south of Kiukiang and south of Singtse, were claimed to have been repulsed with heavy losses. Chinese and Japanese artillery, according to Chinese military despatches, is at present exchanging fire across the Yellow River, with the Japanese in occupation of Fenglingtu, on the north bank, and the Chinese holding Tungkwan, on the south bank. Heavy Chinese reinforcements are now said to be arriving to defend Tungkwan, which is strategically situated on the Lunghai Railway.

On August 28, Chinese reports stated, Japanese troops, under cover of an artillery and aerial bombardment and supported by tanks, attacked the east, west and north gates of Luan and breached the southeastern corner of the city. Severe hand-to-hand fighting then took place, ending in the withdrawal of the Chinese in the evening.

On the following day, the Japanese are said to have advanced along the Pai River, southwest of Luan, in the direction of Hoshan, where the main body of the Chinese forces withdrew to new positions west of Hoshan. A Chinese military communique claimed that Chinese troops were closing in on Huangmei, in northeastern Hupeh, where the Japanese appear to be preparing to withdraw from the city.

Regarding the fighting on the Juichang front, Chinese despatches stated that the Japanese attacked the Chinese positions in that sector 13 times on August 27, and then again on August 28 and 29. The fighting is said to have been of such a severe nature that, according to a Chinese communique, one Japanese detachment was wiped out, while the Chinese also suffered heavy casualties.

Japanese Claims

Meanwhile *Domei* claimed on the same day that Japanese troops captured a dozen towns on four fronts in five provinces in a 72-hour period—all a part of their Big Push toward Hankow. Land and sea forces, assisted by tanks, planes and artillery, continued to forge ahead steadily on the Yellow River front in Honan and Shansi, on the "eastern front" in Anhwei, and on the two southern fronts on both sides of the Yangtsze in Hupeh and Kiangsi, *Domei* said. Important objectives now said to be threatened with capture by the Japanese columns in the near future are: Tehan in Kiangsi on the Kiukiang-Nanchang Railway, Kwangtsi in Hupeh, Tungkwan on the Lunghai Railway, Honan-Anhwei border points, and several fords along the Yellow River. The Japanese appeared to be making the swiftest progress in the Hwoshan sector in Anhwei and on the southern fronts near the Yangtsze.

On the Yangtsze fronts they were approximately 100 miles from Hankow August 29, the closest positions yet attained.

The Japanese pincer movement now taking a semi-circular shape made further progress with the occupation of Fengling, fording point on the Yellow River in southern Shansi opposite Tungkwan pass, and Tushanchen, 31 kilometers southwest of Liuan in Anhwei, a Tokyo dispatch stated. On this Yellow River front the Japanese troops checkmated the Chinese defense maneuvers along the Lunghai by capturing Fengling, the message said.

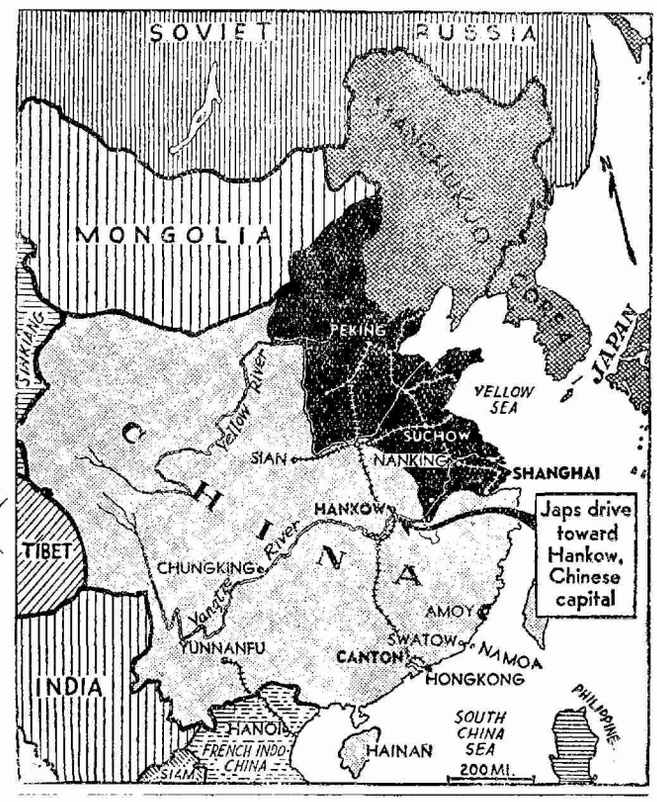
Surprised by the Japanese enveloping movement, thousands of Chinese troops were said to have sought for flee across the Yellow River, only to be caught in the crossfire of the Japanese and their own forces. Thousands of Chinese soldiers perished in the swirling waters illuminated by the eerie light of artillery flashes and bursting shells.

Aerial, Artillery Battles

With Japan's claims that her naval aircraft dislodged Chinese positions in the vicinity of Juihcang, bombed the Shaokwan Station on the Canton-Hankow Railway, destroyed several hangars at the airdrome and demolished freight cars on sidings at the station, Chinese said six Japanese planes were shot down and two seriously damaged when 12 Japanese ships and 40 Chinese pursuit planes held a dog-fight over Namyung, in northern Kwangtung, August 30. Japan's bombing of the Canton-Hankow line resulted only in a temporary delay, and a few hours later Chinese had restored traffic.

Japan continues to set low figures for the numerical strength of China's air force. Tokyo claimed this week that despite their closses, China still has about 140 planes of various types. Of the 140 planes 33 fighting craft of Soviet make and 15 heavy bombers of the SB type were said to be stationed at Chengtu. Twenty-two other fighting planes and six heavy bombers of Soviet make are at Hengyang, while at Lanchow there are nine fighting planes and five heavy bombers of Soviet make, the report said. Kweiyang has 10 fighting planes and eight light bombers while more than 30 planes are at Sian, the report claimed. Training of Chinese pilots under Soviet instructors has been going on in Chengtu since last February, the message added.

GAINS OF A YEAR OF WAR



Black areas indicate the extent of Japan's gains in a year of war. But Japan only holds the railways and chief cities as the interior areas are overrun by guerilla bands. South of Shanghai, the Japanese hold Amoy on the coast. Manchuria was seized in 1931-1932 and practically has been converted into a colony. . . Chicago Tribune.

If China's air force is proving less effective than Japan's, not so her artillery. This week China claimed her shore batteries on the southern bank of the Yangtsze damaged 14 Japanese warships and transports. On August 29, three transports were hit and damaged off Yangtsheanze and five warships were disabled off Wukiangcha. On August 30, six warships were damaged during an artillery duel between 20 war vessels and Chinese land guns.

The Princes Son Donates

If Japan was gloomy over her dwindling war finances, she undoubtedly perked up when the golf-playing son of Premier Prince Konoye dumped into Nippon's war chest the sum of 130 yen—the first money he earned.

The Japanese news agency *Domei*, considered an official mouthpiece for the government, in their account of the patriotic gesture of Fumitaka Konoye, did not treat the matter with their customary enthusiasm. *Domei* said:

Young Konoye, who on August 1 assumed the duties of secretary to his father, returned from Princeton University in July. His first government pay, he decided would go to the nation. As to his future earnings, he is non-committal. "That's different," he told reporters who asked him if he would continue to contribute his salary.

(Continued on page 31)

86-019

Southwest China—A Land of Planning

BY C. Y. W. MENG (孟 長 泳)

IF one will take a preliminary inventory of the first year of the Sino-Japanese "undeclared war," and estimate the result from the standpoint of the two parties, one of the most important gains for China is, of course, the increasing political solidarity. But there is another important gain. That is: the tendency of industries and population to remove to the interior of the country, thus greatly facilitating and expediting the economic and industrial development of the remote provinces in Southwest China.

For a long time, China's economy has been concentrated in a few coastal centers at the expense of the hinterland. The result has been an unbalanced and abnormal concentration of wealth in a few seaboard cities, as evidenced by the construction of too many "sky-scrapers" and the creation of a class of easy-living and luxury-loving people out of touch with Chinese realities. While the metropolitan cities have become too rich, the hinterland has been impoverished not only in physical wealth but in human material as well.

The same is true of the density of the population in the country. While the density of the population of some coastal provinces, such as Kiangsu, Shantung, Chekiang, Kwangtung, Fukien, etc. is 292.65, 203.54, 194.80, 152.62, 57.39 per kilometer, respectively, that of the southwestern provinces, such as Szechuen, Kwangsi, Kweichow and Yunnan, is 117, 49.23, 38.48 and 36.86 per kilometer, respectively. The density of the population of Sikong and Tibet is only two persons per kilometer.

But the war which the Japanese militarists have forced upon the Chinese, has brought about a change in the situation. Since the establishment of the Ministry of Economic Affairs sometime in January, 1938, one of the first and important activities is to assist the important Chinese factories in the war districts or in the vicinity of war districts to remove to the interior, "so that the productive vitality is preserved." Up to now, about 60 factories have been given such assistance and have removed to Szechuen. They are: 5 machine shops, 23 metal manufactories, 5 electric and radio equipment manufactories, 3 pottery and glass works, 10 industrial chemical manufactories, 7 printing and stationaries manufactories, 8 textile mills and 2 others. It is reported that machinery weighting more than 25,000 tons has already been transported to Szechuen, while more is coming. These factories have formed a federation, known as "The Federation of Factories Removed To Szechuen" (四川工廠聯合會), with its head office busily at work in Chungking.

Recently, the same Ministry has given an important order to these factories to assume operation immediately. Szechuen, the "Heavenly Residence," will soon be an "Industrial Szechuen!"

"Investigation Missions" in Southwest

But since the establishment of China's war-time capital at Chungking, much interest has been shown, not only to the industrial development of the Province of Szechuen but more to the Southwest as well. Recently, a number of the "investigation missions" has been sent to the Southwest to make a preliminary study of the conditions there with a view to developing industries and to exploiting the mineral resources in these remote provinces.

Probably, the most important one is the "Southwestern Investigation Mission" which is organized by influential people in the industrial, commercial and financial circles in Shanghai. They sent a Mission to proceed to the Southwest to make a study of the local conditions *in preparation for their investigation and exploitation.* This mission arrived at Chungking shortly ago, and they travelled extensively in Szechuen, Sikong, Kweichow and Yunnan, and the same has now returned to Shanghai to make a report of their findings.

This mission is certainly not without success. As a result of their visit, the "Southwestern Reconstruction Association" has been formed, with its head office at Chungking. Fifteen members —all being leading figures in the industrial, commercial and financial circles and some high officials of the Ministry of Economic Affairs —are elected as the members of the Board of Trustees of the association. We are further informed that this association has the *largest* number of members, including people in the industrial, commercial, financial and engineering circles. Probably there is no other public organ in the country whose activities are so closely and vitally connected with the rejuvenation of the nation than the present Association.

There is another investigation mission, known as the "Southwestern Economic Investigation Mission" which was promoted and organized by the China Economic Society and faculty and students of the Futan University (formerly in Shanghai, now in Szechuen), who, taking the advantage of the vacation, spend their time to make an economic investigation of these provinces in co-operation with other representatives from other public organs.

There is another investigation mission organized by the Preparation Committee For the Establishment of the Sikong Province in Sikong, whose activities are more or less confined to the investigation of the Sikong Province.

While authorities are reticent in giving out information regarding some definite plans for the industrial development and exploitation of these provinces in the Southwest, it is certain that high officials and influential leaders in the industrial, commercial and fianncial circles do devote much of their attention in this direction, and they are now apparently discussing elaborate plans for the industrial development and reconstruction of these provinces, in accordance with the program of the Resistance Campaign and National Reconstruction adopted by the Kuomintang Conference in April and re-affirmed by the meeting of the People's Political Council in July. Some industries having close connection with the national defence will now have to be developed in the hinterland away from the foreign controlled areas or coastal cities.

Land of Planning

Yesterday the Southwest was backward in many ways, but today, it is *a land of planning*; and tomorrow it will bring about many important changes in the industrial development in the country. It is not a probability but a certainty in view the fact that both the government and people appear determined to take the advantage of the situation to develop the interior and to remove

HE PROMISED TO WIN IN 3 MONTHS

Providence Bulletin

the industrial centers to the interior, and to remedy the very evil of the concentration of wealth in a few coastal cities and of unbalanced and abnormal development of the country.

Another report has it that the Relief Commission of the Executive Yuan and the Ministry of Economic Affairs are now discussing and taking vigorous steps to send the war refugees from various districts to the interior. In the past few days, we have seen group after group of war orphans being sent to Sikong. We are further informed that the authorities are working a more detailed *plan* for emigration of the people to the southwestern provinces for reclamation purposes.

Besides these, there are other *plans* drawn up and submitted by individuals and experts for the consideration of the authorities. The Reconstruction Bureaux of the Provincial Governments of Szechuen, Sikong, Kweichow and Yunnan are now busily at work in drawing up *plans*, many of which will tax human ingenuity and endurance to the utmost.

Development of the Rear Provinces

Dr. Wong Wen-hao, China's leading geologist, and now the Minister of Economic Affairs, in his press interview, told the nation that the development of the nation's economy is not an impossible task considering the fact that the "rear provinces" are either rich in mineral resources or in farm products. Take Szechuen for instance: The sugar industry of this province does an annual business of over $20,000,000 a year. If the refining methods of this prosperous national industry be modernized, the chances of its development are bright. Another leading industry of Szechuen is the tung oil trade. But so far, no up-to-date refining plants have been established. There also is the silk industry, the production of which can be increased if transportation facilities are available. In his opinion, Szechuen is essentially an agricultural province.

86-020

Hence, the industrial development there must be chiefly based upon agriculture.

Yunnan, on the other hand, is more important as a mining province than an agricultural one. This province southwest produces 8,000 tons of tin a year, occupying the fourth place in the world. Its copper output can be increased if the methods of smelting are improved. Likewise, the coking coal deposits in Yunnan are little developed. Once exploited, Yunnan's coking coal can be shipped in large quantities to Indo-China, where industries are being promoted.

Discussing the economic possibilities of Kwangsi, the minister said that Kwangsi had surplus rice to be exported to Kwangtung. Kwangsi is also rich in mineral resources. It produces 2,500 tons of tin each year—a three-fold increase compared with that of three years ago. Its tungsten and antimony constitute a good source of income to the province, which is also able to produce lead, zinc and copper. "There is a field for agricultural and industrial development in Kwangsi, although it is inferior to Szechuen in agriculture and to Yunnan in mining," Dr. Wong said.

Coming to Hunan, Dr. Wong pointed out that Hunan's antimony output leads the world. That province also contains deposits of lead, zinc, tungsten and coal, the latter of which is more abundant in Hunan than in Kwangsi and better in quality than in Szechuen. "Due to these factors, Hunan is the best province for the development of mining and industry in interior China," he said.

Dr. Wong further divulged that the rise of new industries is necessarily accompanied by a corresponding rise of demand for skilled labor; and for this reason the Government has also transported 3,000 skilled labor up-country. He also told us that a number of electric power plants will be started in the interior so as to give the generating power for the operation of factories. In addition to these vital government projects, the minister added that the Government is encouraging the nation's export trade. That is to say the present government policy is both the industrialization and agriculturalization of these southwestern provinces, paying special attention to the development of the war-time industries and to the increasing of production in the interior to meet the needs of the nation during the present situation.

August 17, 1938, Chungking.

Question of Catholic Mission Jurisdiction Raised

THE case of the China Realty Co., an American firm, against the Augustinian Procuration, "Spanish Religious Corporation," this week occupied the attention of Shanghai. The suit, in which the hearing of action was resumed in the First Special District Court August 29, has been adjourned until September 9.

At the August 29 hearing, Dr. O. Fischer, Italian, who appeared for the Catholic Mission, urged that the court be exceedingly careful in dealing with the question of jurisdiction over the defendants, and produced a document from the Italian Consulate certifying that the Mission is "under Italian jurisdiction." He said he did not want to raise dangerous questions of political matters and in order to avoid inconveniences and complications he would ask the court to recognize the Italian document and dismiss the case.

The China Realty Co. is seeking judgment of $700,000 together with interest, $20,000 attorneys' fee and costs. The $700,000, according to the plaintiff, is a loan to the Catholic Mission which gave a mortgage on the Hwa Shing Wharf, Pootung, as security. The property was said to have been sold by the Mission to the China Motion Picture Finance Association which has also been named a defendant in the China Realty Co.'s action. Mr. Chu Chun-tao, the legal representative of the China Motion Picture Finance Association, was represented by Mr. Hsu Sze-hao who requested the court to adjourn the hearing as he was still waiting for instructions from his client.

Dr. Fischer asked the court to declare its incompetence to hear the case against the Catholic Mission and instruct the plaintiff to file suit in the Italian Consulate which had the jurisdiction. He also raised the question of intervening in the plaintiff's action against the second defendant, the China Motion Picture Finance Association. He said the plaintiff had no right to sue this defendant. Judge Li informed the parties that the court had received a communication from a Spanish representative protesting against the filing of this action in this court, as the latter had no jurisdiction over Spanish interests. The court, he said, would investigate the question.

Mr. L. C. Yang of Messrs. Yeh & Co., who represented the plaintiff, told the court that the Italian Consul-General's document merely mentioned that the Mission was under Italian jurisdiction but failed to give any explanation. In point of law, the court at the present time had jurisdiction over Spanish citizens or concerns and he was prepared to prove that the Augustinian Procuration was a Spanish organization and beyond that he was prepared to prove that the Augustinian Procuration was not an Italian organization.

Mr. Yang produced a certified copy of a complaint filed by the Augustinian Procuration in the United States Court for China in 1930 in which the Augustinian Procuration described itself as a "Spanish religious corporation engaged in missionary work in Shanghai and other parts of China." He also produced a certified copy of a report filed by the American Securities Corporation, Federal Inc., U.S.A., with the Registrar of the China Trade Act of U.S.A., to prove that the Augustinian Procuration in 1935 held 260,500 shares of stock in the American Securities Corporation, Federal Inc., U.S.A., and that in that report the Augustinian Procuration described its nationality as Spanish.

Referring to the question of Italian jurisdiction, Mr. Yang produced a letter addressed to the Italian Consul-General by Dr. George Sellett on behalf of the plaintiff on May 11 enquiring (1) whether the Augustinian Procuration and Father P. Cerezal or either of them were Italian and the date they became such, and (2) whether, in the event they or either of them were Italian, the Italian Government would claim exclusive jurisdiction over them as an action was predicted upon the default of payment which occurred prior to the date they became Italian. In reply to this letter, Dr. Sellett received a letter from the Italian Consulate confirming that Father Cerezal was subject in China to the Italian jurisdiction, but no mention was made of the status of the Mission, Mr. Yang said.

Question of Registration

Mr. Yang also produced a copy of a letter from Dr. Sellett to the Italian Consul-General on May 31, making further enquiries as to whether the Augustinian Procuration was registered with the Italian Consulate and also asking for information regarding the date when Father Cerezal became an Italian subject. The Italian Consulate on June 7 informed Dr. Sellett that "Father Cerezal became subject to the Italian jurisdiction on March 9, 1937. The Augustinian Procuration was not registered with the Royal Italian Consulate-General." Mr. Yang also produced a copy of this letter. In view of the fact that the court had been vested with the right to take over jurisdiction of Spanish citizens and/or concerns and that by documentary evidence he had proved that the Augustinian Procuration was and still is a Spanish organization, the court had no alternative but to assume jurisdiction of this defendant, he claimed.

Dr. Fischer told the Court that the documents concerned the defendant's former status and had nothing to do with the present case. It was moreover a question between American and Spanish interests and Chinese interests were in no way involved. Although the Chinese Government had issued a decree authorizing Chinese courts to take jurisdiction over Spanish subjects, it was a onesided declaration. It was quite natural for the Spanish Consul to file his protest with the Chinese court because under the treaty of 1864 Spanish citizens still enjoy extraterritorial rights and the declaration by the Chinese Government had no effect on the validity or force of the treaty.

Continuing, Dr. Fischer said the decree was temporary. It merely created a subsidiary to facilitate legal proceedings when Spanish interests were involved, but this case was not an ordinary one as no Chinese interest was involved. He further said this claim, as admitted by the plaintiff, arose in 1934 and the plaintiff had ample time to file their claim in the Spanish court, but they waited for several years and brought this action to this court instead. As far as he understood the case actually arose in 1931, he said.

Judge Li commented that the letter by the Italian Consul-General did not give any reason why the Catholic Mission should be under Italian jurisdiction.

Not a Political Question

In reply to Dr. Fischer's argument, Mr. Yang told the court the case was not a political one. For the sake of argument, he said, the Italian document, granted its full effect, only proved that the Augustinian Procuration was subject to Italian jurisdiction. It did not prove that this court had no jurisdiction over the Mission. It was a matter of procedure that many courts might have concurrent jurisdiction over the same party at the same time. When a court took over the jurisdiction of a defendant and this defendant produced evidence from another court that the latter had jurisdiction over him, this did not disprove that the first court had no jurisdiction over the same defendant.

Continuing, Mr. Yang said the plaintiff has produced evidence that this court had jurisdiction over the Spanish organization and had proved that the Mission was a Spanish organization. It was now up to the defendant to prove not only that the Italian Consulate had jurisdiction, but also that this court had no jurisdiction.

Guerillas Burn Hungjao Bridge

Chinese guerilla soldiers set fire to and damaged a bridge on Hungjao Road, near the golf course, August 29. A fire engine from the International Settlement went to the scene of the blaze but found that Japanese troops had put out the blaze. Guerillas were very active in the Hungjao Road area, the same day, according to Chinese reports. Considerable damage is said to have been done to means of communication in the district.

Some 3,000 Japanese soldiers have moved out of six districts near here in the last few days, Chinese arrivals declare. These troops are believed to be headed for the war zone in the upper Yangtsze valley.

The Lesson Japan Has Learned

BY B. Y. LY

A little over a year ago the Japanese militarists thought a force of 300,000 men would be quite sufficient to reduce China to a colony in three months. No untoward improbabilities or impossibilities were taken into consideration. After three months of fierce struggle in the Shanghai area, they changed their mind and extended the duration of the war from three months to one year.

When one year was nearing end, Itagaki, War Minister, informed newsmen that Japan was prepared to carry on hostilities in China for ten years or even longer, if they should last that long. Evidently Japan's hopes for a quick and decisive victory become fainter as time drags on. At the same time, China's determination to carry on her war of resistance in whatever conditions she may find herself, is getting firmer and more solidified. How long can

New York Daily News

Japan "bring the Chinese to their knees," to use Premier Prince Konoye's expression, is a controversial subject.

Actually, the Japanese are already "on their knees" financially, as her gold reserve is practically exhausted. In order to find something tangible as a basis from which a forecast may be made as to whom the ultimate victory will be, we should scrutinize the chronicle of the war situation, new conditions have developed in Japan and in China since hostilities, a comprehensive survey of public opinion regarding the possible outcome of the war should be closely studied.

In order to gauge the public opinion in regard to the ultimate outcome of a certain national event, it is best to have a general comprehensive survey of the public mind with a set of definite questions concerning the war, and then a conclusion can be drawn as definite. During the past year, particularly during the past few months, the writer approached 143 people of different social standing with a set of questions. Accepting their answers as a basis, we shall see that the ultimate victory will be on the side of China.

The Public Speaks

One thing we should take into consideration is that almost all those questioned are Chinese, and some elements of prejudice may dilute the solution to a certain extent, nevertheless this survey, inaccurate it may be, gives us food of thought. The public opinion represents the public mind, which national events or crisis are dependent upon a great deal. The following are the particulars of the survey:

(a) Positions of those queried:

(1) Educators and teachers		45
(2) Business men		55
(3) Professional men:	lawyers	10
	doctors	5
	dentists	5
	accountants	10
	preachers	3
(4) Foreigners:	Americans	3
	British	3
	French	1
	German	1
	Russians	2
	Total	143

(b) Geographical distribution of those queried:

(1) Kiangsu province	46
(2) Kwangtung province	24
(3) Northern provinces	15
(4) Chekiang province	18
(5) Central provinces	11
(6) other southern provinces	19
(7) Europeans	7
(8) Americans	3
Total	143

(c) The age of those questioned are variously from 35 to 60, or on average 42½.

The following were questions put to each:

(1) **Could the Japanese secure Chinese economic co-operation in China without resorting to war?**
(2) **Suppose the Japanese confine their military operations only in north China, could they succeed even temporarily?**
(3) **Do the wholesale slaughtering of innocent civilians and indiscriminate bombing and shelling unfortified and defenseless cities help them to win or shorten the war?**
(4) **Will China's determination and grit to carry on her war of resistance last long?**
(5) **What would be the ultimate outcome of the hostilities? Will Japan win?**

The following are the answers to each question:

Question	*space 1*	*space 2*	*space 3*	*space 4*	*space 5*
yes	**65%**	**43%**	**nil**	**93%**	**nil**
no	**22%**	**39%**	**110%**	**nil**	**89%**
indifferent	**13%**	**18%**	**nil**	**7%**	**11%**
	100%	**100%**	**100%**	**100%**	**100%**

First: The art of salesmanship tells us how and when to apply sales-talk and how to convince our would-be-customers to see our points and take action. When we want our friends to help us or to lend us some material assistance, we must be patient and use diplomacy, artful and skillful to order to obtain our objective.

Formerly there were two parties in Japan engaged in shaping their foreign policy toward China; one favored the use of diplomacy and the application of principles of salesmanship, but this method was considered too slow to secure their objectives aimed at. So the military party entered the scene and wanted to coerce China to accept their points of view in regard to economic co-operation at the quickest period of time, and this party has gained supremacy. China had repeatedly refused to listen to their dictation, so the war started.

The military party substituted the sword for diplomacy, military force instead of courtesy, rashness instead of thoughtfulness Before the present hostilities, there were a large number of Chinese merchants, bankers, industrialists, educators, etc. who were pro-Japanese, as self-preservation of their interests, but dared not voice their wishes openly. They tried various means to work out workable formula for Sino-Japanese economic co-operation. But things go slow in China, and the public must be first convinced that such co-operation would be of mutual advantage.

War Unnecessary

Should the Japanese know how to seize the opportunity of utilizing this powerful group to co-operate with them, and in a few years, perhaps a decade, they could get almost anything they aim at without resorting to war. Using one-tenth of the money they spend on this war, the Japanese could easily buy the Chinese good-will and friendship, provided, of course, they are sincere in heart and diplomatic in action, and have their objective obtained.

How clumsy they are! They and the Chinese are of practically the same culture and race; we used to consider them our brothers.

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We admire them for their efficiency, technical skill and knowledge, their hard work, their endurance, etc. We don't mind to have them as leaders of the Far East, but not as conquerors! The present hostilities are the result entirely due to their diplomatic clumsiness, their aggressive attitude, their war-like spirits. Whatever they say to us, we always think "they have something up their sleeves." Confucius says: Faults that committed and rectified at once are not faults. Is it too late for the Japanese to rectify their past blunders toward China.

Second: Had the Japanese avoided the Shanghai "incident" and the Central China Campaign, they might have had chances in making peace with the Central Government. In three months war in and around Shanghai, the Japanese killed and wounded were more than 60,000 men, although the Japanese headquarters in Shanghai gave the total casuality of 40,000 killed and wounded. To date the Japanese army has lost from 500,000 to 600,000 men, killed and wounded, from 500 to 700 airplanes, and from 50 to 60 gunboats and warships in the whole China compaign for the first year. If they had been wise enough to confine their military operations in North China only, their losses would not have been more than 25% of these figures. Japan's economic resources then would not be in such precarious condition, and she would have retained her place in the world as a great power. Had the Japanese confined their military operations only in North China, many Chinese bankers, businessmen, industrialists might co-operate, as a matter of self-preservation, with the Japanese in re-establishing normal conditions and to persuading the National Government to make peace with them. But the destruction of properties of this powerful group means to intensify the stiffening of the Chinese resistance and darkening of a peaceful settlement.

Source of Resistance

Third: Tigers and lions can be tamed by application of skillful art of training and with patience. Even the lower type of animals show a temper or even a determined resistance when they are thwarted or provoked. The higher the intelligence and the greater their strength the longer and the more determined their resistance becomes. So the Japanese think by a wholesale slaughtering of innocent civilians and indiscriminate bombing and shelling of cities according to their fancies and whims, they could frighten all Chinese to bow to their will and to be their underdogs.

Certainly they have committed the greatest blunder that the human race has ever thought of. There is no way of telling how many Chinese civilians have been butchered and how much Chinese property has been destroyed. Girls as young as ten and women as old as 60 have been violated. An army that has done such barbaric acts not only is a shameful disgrace to Japan but also an object of disgust to humanity. These Japanese outrages and atrocities have thoroughly aroused the Chinese to one solid unit against their assailants. Even many sensible Japanese soldiers, moved by the brutalities of their comrades, chose self-destruction to end their enforced part in such barbaric warfare. The wanton destruction of property, a wholesale slaughtering of innocent civilians, and the reign of terror instituted by the victorious troops in the occupied areas, have undoubtedly stirred up the Chinese determination and grit of resistance firmer and more lasting.

The morale of the Chinese soldiers has never been so high, and the people as a whole have never been so optimistic, and the spirit of a united resistance against the invader is so determined. After all, what the Japanese soldiers have outrageously done in China is a blessing in disguise to Chinese. Our future generations will have to thank the barbaric Nipponese soldiers for what they have done in saving China from collapse.

Fourth: "China's determination to carry on her war of resistance in whatever conditions she may find herself as long as the Japanese military continue their campiagn of aggression in China. Unless the Japanese people rise and stop the madness of their warlords, there will be no end to the present bloodshed, which may last decades and even centuries" Generalissimo Chiang said. The Chinese are lovers of universal peace and brotherhood of man, and staunch defenders of homesteads, where their ancestors are worshipped and where their ancestors tombs are located. Now millions of these lovers of peace have been forcefully driven from their sacred homes, and the sacred homes of many more millions have been destroyed by Japanese bombs, shells, and gunfire. Paradoxically, every bullet that kills an innocent civilian, every shell that destroys a home, every bomb dropped by a Japanese airplane upon a Chinese factory, the rattle of a Japanese sword, is rebounded in stiffening Chinese resistance. A relentless plan to intimidate and demoralize a defenceless population is to help strengthen a long resistance of a united people. Every innocent civilian relentlessly slaughtered by the Japanese leads to add a hundred more in strengthening the resistance. The deeper Japan penetrates into China, the longer will be the resistance; the greater the number of battles she wins, the greater is the resistance.

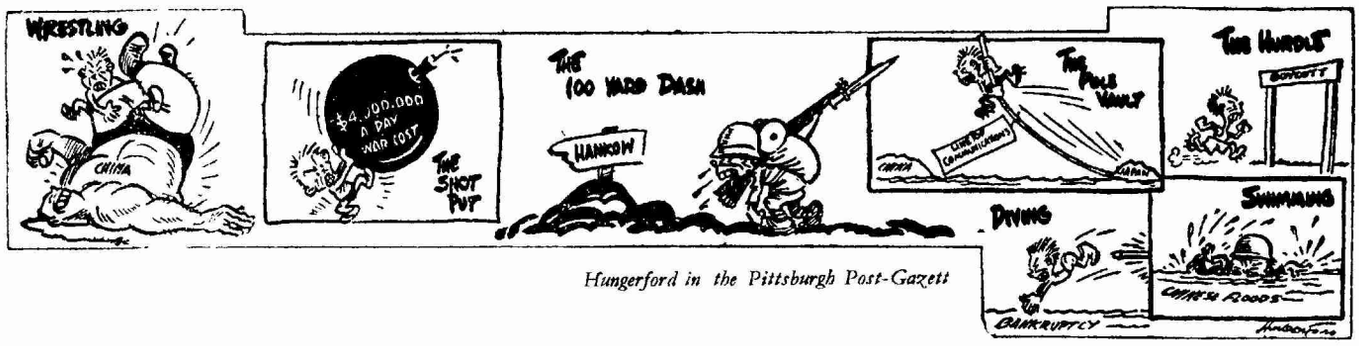
Fifth: A European writer said that economic and financial conditions in Japan today are similar to that existing in Germany during the fourth year of the Great War. Man-power lost and vast of money wasted in the Japanese "Holy Crusade" in China so far is already greater than that in the Russian-Japanese War. But their "Holy Crusade" is far from being ended. "To bring the Chinese to their knees" is not so a simple undertaking as it was first thought by the "Baron Robbers" in Japan. The following were some of the wild imaginations of the Japanese warlords, who thought, previously to the present Sino-Japanese hostilities, that the whole of China could be completely conquered ni 3 months:

(a) Chinese soldiers had no real leaders.
(b) Chinese people could easily be frightened into bowing to the Japanese sword,
(c) Chinese soldiers had no fighting spirit.
(d) China had few big guns and no navy.
(e) Chinese militarists could be easily bribed to turn over to the Japanese,
(f) Pro-Japanese elements could create large scale disturbance in the rear,
(g) Chinese militarists had no plans and could not co-operate with one another,
(h) China could not finance a long war,
(i) Chinese militarists had no military strategy,
(j) The Kuomintang could easily split,
(k) Chinese people were not a united people and could offer us determined resistance to Japan.

But they did not know or they forgot to take into consideration the following factors:

(a) The complete unification of China under the leadership of Generalissimo Chiang.
(b) The strength of China's war finance.
(c) The soundness of China's national currency.
(d) Chinese armies today are much stronger than they were a year ago, due to united command.
(e) Chinese morale of ultimate victory is higher than that it was a year ago.
(f) The activities and effectiveness of Chinese mobile units.
(g) Chinese strategy has succeeded while that of Japan has failed.
(h) No disturbance in the rear by pro-Japanese elements.
(i) No military secrets could be bought over.
(j) A nationwide armed resistance.
(l) China would not accept any peace terms except on unconditional withdrawal of Japanese troops from China.
(m) Chinese civilians can not be induced to return to the occupied areas.
(n) "To bring the Chinese to their knees" seems too remote.
(o) The wanton destruction of educational institutions and factories, the reign of terror instituted by the barbaric troops in the occupied areas, would be added to drive out one-time pro-Japanese elements to the side of armed resistance.
(p) Japan's gold reserve is practically exhausted.
(q) Japan's foreign trade has decreased by one-third.
(r) Japan has lost from 500,000 to 600,000 casualties, from 500 to 700 airplanes, and from 35 to 50 warships and gunboats.
(s) Economic conditions in Japan today are similar to that existing in Germany in the fourth year of the Great War.

WITH THE OLYMPICS IN FINLAND, JAPAN WILL HAVE GAMES OF HER OWN



Hungerford in the Pittsburgh Post-Gazett

High Child Mortality Among Shanghai's Refugee Camps

INFANT mortality among the local refugee camps has reached the appalling figure of 62,395 during a period covering August 1937 to May this year, Mr. Penan Ting, secretary of the National Child Welfare Association of China, revealed in a report written for *The China Press*. The 62,395 children who died in the refugee camps during the 10 months period, Mr. Ting disclosed, were all below 14 years of age.

Death, he revealed, claimed 41,746 children in the International Settlement camps and 19,620 children in the French Concession camps. The toll in the Nantao Area amounted to 1,029 children, Mr. Ting reported. Lack of sanitary arrangements, insufficient nourishment and spread of various kinds of disease, Mr. Ting said, conspired to bring about the tremendous death toll.

At the present time, however, work is being done by a special Refugee Children Nutritional Aid Committee to check the further rise in mortality figure and furnish food which will give the children an "even break" in their fight against disease and death. Surveying refugee children relief work in Shanghai, Mr. Ting reported that there are now some 40,000 children below the age of 14 in local refugee camps. Of this number 1,500 are orphans, he stated. The following list shows the number of children in camps maintained by the relief organizations: 11,227 in the Shanghai Charitable Organizations Federation War Relief Committee, 12,726 in the Shanghai Municipality War Relief Commission, 368 in the Shanghai Christian War Relief Committee, 783 in the China Swastika Society, 4,370 in the International Relief Committee and 4,573 in the other 22 refugee camps established by different voluntary organizations.

No less than 1,500 homeless orphans and babies are being taken care of by nine refugee camps which are specially engaged in accommodating refugee children. At present, there are 611 children in the Refugee Children Camp at 181 Jessfield Road, 88 in the Refugee Babies' Nursery at 116 Great Western Road, 124 in the Benevolent Home for Refugee Children at Chekiang Road, 91 in the Mrs. Chung's Camp at 841 Avenue Foch, 18 in the Shanghai Babies' Camp at 1240 Ave. Joffre, 120 in the Child Welfare Home at 1231 Rue Lafayette, 60 in the Chapei Benevolent Home at 33 Wangkasha, Carter Road, 69 in the Reformatory for Street Children at Amoy Road and 100 in the Destitute Children's Camp at 1107 Connaught Road. Because no adult refugees mixed in these camps, the management of education, health, nourishment and training work for refugee children has been conducted with encouraging results.

The biggest camp for refugee children is the Refugee Children's Camp at 181 Jessfield Road established by the National Child Welfare Association of China after the commencement of the hostilities here last year, Mr. Ting stated. At first, this camp with an accommodation of 150 children was located in the Chin Yeh Vocational School on Burkill Road. The camp was later removed to the St. John's University Y.M.C.A. Middle School at Jessfield Road where 1,000 children can be accommodated.

League of Nations Medical Aid to Hankow

Owing to the work of the League of Nations' Epidemic Commission and the precaution taken by the Chinese health authorities, the alarming threat of a cholera epidemic outbreak in Central China this summer did not materialize. The first sign of cholera of epidemic proportion occurred in Changteh. It spread to Changsha, and from the latter city to Hankow. Fortunately, in each of these places there were exports sent by the League of Nations at work, and the outbreaks were quickly controlled. In Hankow over 200,000 free innoculations against cholera have been given. As refugees are continually coming into Hankow from all directions, a refugee registration center has been established to give free innoculations.

Madame Chiang's Concern for Factory Girls

Determined that the abuse of Chinese women by the Japanese invaders as carried out in Shanghai, Wusih, Nanking and Wuhu, shall not be repeated in the Wuhan cities, Madame Chiang Kai-shek is now taking a deep personal interest in the welfare of the 30,000 factory girls of this area.

A large evacuation scheme for these young and helpless girls has been planned by the Women's Advisory Committee of the New Life Movement Headquarters. They are being assisted by the Political Affairs Board of the National Military Council, the Ministry of Economics, and the Ministry of Communications. A large number of these girls are refugees from the coastal provinces of Kiangsu and Chekiang where the Japanese destroyed their homes and the factories in which they worked. Many skilled workers will move with the factories to Szechuan Province, deep in China's hinterland; while those from the interior will be encouraged to return to their villages and assist in the development of home industry. Nurses will travel with the factory girls for emergency first-aid work and will assist in sanitation and health.

The genesis of the scheme for saving these girls from Japanese maltreatment occurred when Madame Chiang was visiting mass education classes of the New Life Movement Headquarters held right in the cotton mills. Accompanied by her social adviser, Rev. George W. Shepherd of Wellesley, Mass., Madame Chiang appeared at these factories just as the night shift was leaving and the day shift beginning work. Some of the girls recognized her, and there was an audible hum throughout the buildings as the girls courteously crowded around to chat with the First Lady who has become known to them as their best friend. When asked about their plans, the girls told Madame Chiang that they had no definite plans. "Then we shall make some plans immediately" said China's most enthusiastic and practical social reformer as she wheeled around to ask for the manager.

As a result the mills are paying all the workers two months wages, and an additional bonus of $20.00 to enable them to send something to their families. Registration booths have been opened by the intrepid workers of the New Life Movement, and thousands of girls are signing up for assistance and guidance in reaching places of safety, or moving with some of the machinery to the western provinces. Section by section, the factories are closing down and packing up their machinery for removal. Neither mills not workers will be left around to suffer ill treatment at the hands of the invaders.

Mr. Fessenden and Mr. Fukamachi Talk Things Over

One cause of terroristic activities and unrest in Shanghai lies in the inability of the Powers concerned in the Municipal Council to differentiate between the Chiang Kai-shek regime and the Reformed Government. This was the opinion expressed by Sakuji Fukamachi, president of the Japanese daily newspaper, the *Shanghai Mainichi*, in an interview with Stirling Fessenden, Secretary-General of the Shanghai Municipal Council, on August 23 in which they discussed various aspects of conditions in the Settlement.

"Recognition of the Reformed Government is the only key to the improvement of peace and order in Shanghai," the Japanese editor told Mr. Fessenden, according to the *Mainichi*. Fessenden replied that this question was one for the Powers which organized the Municipal Council to decide. He said the Council's actions depend on instructions from the Powers concerned.

Questioned about reports that terroristic crimes here were inspired by Communistic influences, Mr. Fessenden replied that the had no information to prove that terrorists had been acting under Communist instructions; he added that he did not believe anti-Japanese terrorists are affiliated with Moscow organizations. Fessenden stated that the Council would welcome suggestions or advice from the Japanese military authorities or other sources regarding methods of maintaining order in the Settlement.

Special District Court

Fukamachi brought up the question of the Special District Court. Fessenden replied that the attitude of the Council must be determined by the Powers which entered into an international agreement for the establishment of the present Special District Court. The Council official stated that the Council has no objections to the functioning of the Reformed Government in the Settlement; he added that the Council's relations with the Reformed Government were the same as the relations formerly carried on with the Gen. Chiang Kai-shek Government.

"There are reports," Fukamachi said, "that the Soviet Union is pulling the wires behind the terrorists. Do you have any such information? If this is true we should plan measures against it."

"There are two groups of terrorists," Fessenden said. "One is pro-Japanese and the another is anti-Japanese and may be a cat's-paw of the Chiang Kai-shek Government. There may be some members of the anti-Japanese group who have Soviet connections. I do not think, however, that the anti-Japanese group is directly affiliated with Moscow."

"According to a certain report, a few Communist leaders secretarly entered Shanghai from Moscow and they are said to be instructing the terrorists and guerillas," Mr. Fukamachi said. "You just referred to certain pro-Japanese terrorists. In my opinion, the anti-Japanese terrorists are responsible for the existence of the pro-Japanese group, which does not mean any grave harm to the peace and order of the Settlement. The Settlement is only threatened by the anti-Japanese terrorists. When they are eradicated the maintenance of peace and order in the Settlement will be an easy question."

"Viewed from a practical standpoint," Mr. Fukamachi said, "the comparative importance of the Reformed Government and Chiang Kai-shek Government is quite obvious. The administration of the Settlement can best be accomplished, I think, by keeping in close touch with the Reformed Government authorities. I wish you would think this way also. I hope the Municipal Council officials will realize that the new Government is going to grow by maintaining close relations with the Municipal Council authorities."

Fessenden Puzzled

Fessenden replied: "I cannot understand the truth of some of the current problems; there is a great deal of divergence in the news reported by the Japanese, Chinese and foreign journals. I am puzzled at the report that guerillas are still active in the Japanese occupied areas."

"I am surprised to hear you say that," Fukamachi said. "Such a thing as this is a trivial matter and of no significance in connection with main facts of the situation."

"I do not care what form of Chinese Government is set up around the Settlement, just so long as it does not interfere with the Settlement," Fessenden declared.

"I hope you will believe the news from Japanese sources so far as the hostilities are concerned," Fukamachi said, concluding the interview.

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Japan Claims Former Soviet Envoys to Tokyo Arrested

Arrested in connection with their activities in Tokyo, M. Constantin Yurenev, former Soviet Ambassador to Tokyo, and two former Soviet Embassy officials in Tokyo are awaiting trial in Moscow along with more than 10 other high officials, the popular Tokyo daily *Miyako* reported August 29. The other two former Embassy officials said to be under arrest are M. Nicolas Rayvid, former Counsellor of the Embassy, and M. Arcadii Ashkov, former First Secretary of the Embassy. Their trial will take place about Sept. 20, the journal said.

They were arrested, the paper said, in connection with their activities in Tokyo at the time of the February 26th affair when they allegedly collected information about the Japanese fighting services by employing Japanese, including Hirokichi Otake, proprietor of a publishing Company; Katsuhei Zama, president of the Naigai Information Agency, and several others.

Among other high Soviet officials held for trial, according to the daily, are M. Duhchan, former Ambassador to Poland; M. Antonov, former Consul-General at Barcelona; M. Iyakbovitch, former Counsellor of the Soviet Embassy in Switzerland, and M. Rosenberg, former representative at conferences of the League of Nations.

FASCISM LOOKS AT COMMUNISM

Stalin: The seismograph has recorded a shock. Is it an earthquake, or has the World Revolution at last begun?

Next Purge Victim: Neither . . . . a Trotskyite has just blown another Moscow Factory to bits.—*Il* 420, *Florence.*

The *Miyako* reported that the former Ambassador in Tokyo will be tried on a charge that he discussed the "suppression of the Stalin administration" with Reichsfuehrer Adolf Hitler at the latter's summer villa during a stay in Germany.

Considerable interest attaches to the forthcoming trials, the journal stated, because M. Yurenev's case has an international angle. The paper stated that the trials of the Japanese alleged to have supplied information to the Soviet Embassy at the time of the Feb. 26th affair will open in September. Otake and Zama were alleged to have received Yen 10,000 from the Soviet Embassy for supplying information. The *Miyako* expressed skepticism about the trial of M. Ashkov because he was said by the paper to have played a leading role in collecting Japanese information about the Feb. 26th affair through the Japanese agents.

"Realistic" Air Raids to Be Staged in Tokyo

With realism containing all the elements of actual warfare with exception of casualties, mock air raids in September will give citizens of Eastern Japan a taste of what it is like to be suddenly attacked from the skies. The maneuvers will take place from Sept. 12 to 16. Unlike in the past, "hostile" craft will appear over various cities without any warning. This will be a cue for all surface traffic to stop immediately. Streetcars, automobiles, river launches and even trains will be paralyzed during the maneuvers.

Unlike past maneuvers, in which all operations were mapped out and announced beforehand, air attacks will occur spontaneously, without regard for time or region. Defenders, therefore, will have to be more alert and resourceful. Dummy bombs will be dropped from planes instead of being buried and detonated by men on the ground, as has been the practice in the past. Another new departure this year will be the use of "defending" planes. When attacking craft appear over strategic points, defending planes will take to the air immediately to repulse them.

When raids are in progress, all noises resembling alarm sirens will be prohibited. Only official motorcars and ambulances will be permitted to move. The maneuvers will start at 9 o'clock in the morning of Sept. 12 and will end at 10 o'clock at night on Sept. 16. The first three days will be given over to unspectacular basic training.

British Investors' Heavy Losses in China

WHILE Shanghai's British residents pondered upon the statements made late in July by Neville Chamberlain and Lord Halifax that "British interests in China would be protected," and the editorial remark of the influential *London Times* on August 27 that "Great Britain will not buy Japanese friendship with a cynical deal at China's expense," they also gloomily pondered upon the statement of Sir Robert Calder-Marshall, chairman of the Shanghai British Chamber of Commerce, that Britain's £300,000,000 investments in China are worth about half that sum today.

The *Times* remark was born of a dispatch from its Tokyo correspondent, dealing with the anti-British movement in Japan. The correspondent showed how the serious opposition facing the leading men in the government, in their efforts to improve relations between Great Britain and Japan, was engendering in the government extreme prodence, and a feeling that they must get from Britain what was constantly described as "recognition of Japan's new position in the Far East," either in an assurance of refusal to aid China or in more specific cooperation with the new regimes in Nanking and Peiping.

Ironically enough, Japan who seeks an Anglo-Japanese friendship, has had more than her share in the destruction of British investments in China. In an interview with *Reuter*, Sir Robert Calder-Marshall estimated that British investments are now worth between £150,000,000 and £180,000,000, one half of what they were one year ago.

Material damage to British property in Shanghai, according to the British trading chief, is estimated at approximately £500,000, but "consequential losses have been far heavier than this initial material damage, and may be conservatively estimated at anything from 10 to 15 times the above amount—from five to six and a half million pounds."

According to *Finance and Commerce*, Sir Robert's report says:

"In themselves these estimates are sufficiently startling, but it is the potentialities of the situation that are causing grave anxiety to those interested in foreign trade, commerce and industry in China, as the enormous losses sustained by the Chinese will naturally affect their recuperative ability and thus have a direct bearing on foreign trade and commerce with China. In the last analysis trade, commerce and industry depend on the produce of the soil and efficient and cheap means of transportation.

Devastated Areas

"During the last twelve months large areas of China have been devastated—cities, villages and farms burned or bombed—farm animals driven off or slaughtered and farm implements destroyed—a large part of the rural population reduced to penury and dispersed as refugees over the country. Communications, by road or river, disrupted, and whether on account of miliatry exigency or other reason, not available for commercial transport, industrial plants in Shanghai, and such thriving industrial centers in Wusih, Chengchow and Nanking to mention only a few, destroyed or damaged and inoperative.

"The potentialities for Shanghai are serious, the great hinterland, Shanghai's real market, is at the moment closed, but even when reopened time will be required to enable it to recover from the orgy of destruction of the past months and for confidence to be re-established.

"What then of the future? It is not easy to separate the incidental from the fundamental, certain restrictions which are imposed may be incidental and merely due to temporary military exigency or they may be part of a fundamental policy. It is at times difficult to decide. The closure of the door for foreign trade in Manchuria and the embargoes imposed in Tientsin on the export of certain commodities except to Japan and the restriction placed on foreign merchants and shipping which place them at a decided

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disadvantage, seem to indicate a fundamental policy which is the antithesis of the Open Door.

"The impediments placed in the way of the operation of privately owned industrial plants both within and without the International Settlement of Shanghai unless in cooperation with Japanese, notwithstanding repeated assurances that private property would be respected and that in the International Settlement Japan is a partner and as such is obliged to protect the rights of private citizens in this area, indicate a fundamental policy having as its aim the Japanese control of industry, though other nominally incidental reasons are given for the restrictions. The continued refusal of the Japanese authorities to permit unrestricted entry to the Northern and Eastern districts of Shanghai, which are the industrial sections of the city, though actual hostilities in these areas ceased eight months ago, prevents the opening of industry, increases the serious refugee problem of the Settlements and seems to indicate a fundamental policy.

Monopoly Plans

"The incorporation in Japan of large corporations for North and Central China to control and operate railways, communications telegraphs, electrical works, mining and other key industries and public utilities on a monopolistic basis, also indicates a carefully planned policy which would in fact, if not in name, if they become operative, make Japan the real master in China's house, notwithstanding the independence of the Provisional Government of North China and the Reformed Government at Nanking. The introduction of the Federated Reserve Bank currency in North China, which currency is inadequately backed, places North China in the "Manchukuo"-Japan bloc, and limits the foreign exchange operations, in the case of imports, to such operations as may be secured by a contra export cover and vice versa. There is no free exchange market.

"Are these incidentals or do they represent fundamental policy aimed at the Japanization of China and can they be carried out? These are questions that only time can answer and there are many imponderable factors which will affect the outcome, but when we consider the following excerpt from a leading article in the *Shanghai Mainichi Shimbun* of May 12, 1938, it would seem evident that the restrictions imposed represent a fundamental policy and are not merely incidental:

"'In the cities such as Wusih, Soochow, Hangchow and Shanghai in Central China, there are densely located silk and cotton spinning and weaving plants. flour mills, cement factories, and other works for manufacturing sulphuric acid, tobacco and oil. The Chinese National Government, from the purpose of consolidating its economic foundation, had been expediting the development of these industries with its best efforts during the last few years.

"Recently, up-to-date machines and other equipments have been applied to the Chinese textile industries, and the means of production has been modernized, in order to compete with Japanese goods in the market. The result is the formation of two camps of Chinese and Japanese light industries facing each other in the market. With these past events in mind, Japan could no longer allow the Chinese industries to be restored to their pre-war conditions and enable them again to compete with Japan. For such reasons, the future Japanese industrial policy in Central China will be formed with Japan as the principal in order to avoid possible economic conflicts between China and Japan, and these reasons also explain why the resumption of operations by Chinese plants should be under joint Sino-Japanese management.'"

The report concludes:—"In any case with the country devastated, industries wrecked and population dispersed the prospect of a speedy recovery is not very hopeful. However, the resilience, industry and tenacity of the Chinese is proverbial and though they have suffered heavy material loss as the result of this undeclared war they have acquired a unity and patriotism infinitely greater than ever before and in that there is ground for hope and faith, provided they receive adequate assistance."

Olympic Games for All Countries

Japan:

1—Putting the 100-pound Apology. (Free for all.)

2—Jiujitsu. (Demonstrating the new "brotherly love stranglehold" and the "It's-for-your-own-good toe hold." Diplomats only.

3—Incident exercises. (Formerly known as war exercises.)

(a)—Attacking a shopping district behind affectionate greetings from the Emperor.

(b)—Bombing a foreign diplomat under cover of a poem on shrine gardens.

(c)—Throwing the 500-pound Denial. (No alibis barred.)

4—Shooting demonstration. (Limited to colorblind marksmen shooting through flags of all nations at close range.)

China:

1—Baseball. China versus the League of Nations. (The League to be allowed to use the bean ball at all times.)

2—Football. Chinese Diplomats versus Friendly Nations. (China to hold the bag and the Friendly Nations to hold the ball.)

3—Paper chase. (Chinese officials will attempt to find the papers signed by other countries to protect her from unwarranted attack. The fun will start when Chinese officials try to find the signatories.)

TOO BUSY FOR SPORTS

By Orr in the Chicago Tribune

Italy:

1—Hurling the 1000-pound Ultimatum.

2—Microphone wrestling. (Everywhere except on horseback.)

3—Nose-thumbing. (From balcony.)

4—Grimacing and chest-thumping.

5—The Broad Strut. (Standing and sitting.)

6—Setting-up exercises. (In the wheat field.
Personally demonstrated by Mussolini, with and without shirt on.)

Germany:

1—Repudiation carnival.

2—Tossing the International Law.

3—Plebiscite hurling.

4—Window smearing. (Aryans only.)

5—Book barbecue. (Limited to important works only.)

6—Undertable hike. (Personal demonstration by Herr Goebbels.)

7—Wrestling. Adolf Hitler against the world. (Illustrating the sensational crouch or surprise technique.)

France:

1—Aquatic events. (La Belle will leap into a tank at the first sight of a debt collector and stay under water until hell freezes over.)

2—Premier tossing. (Name your man and the French will toss him for height and distance without a qualm.)

England:

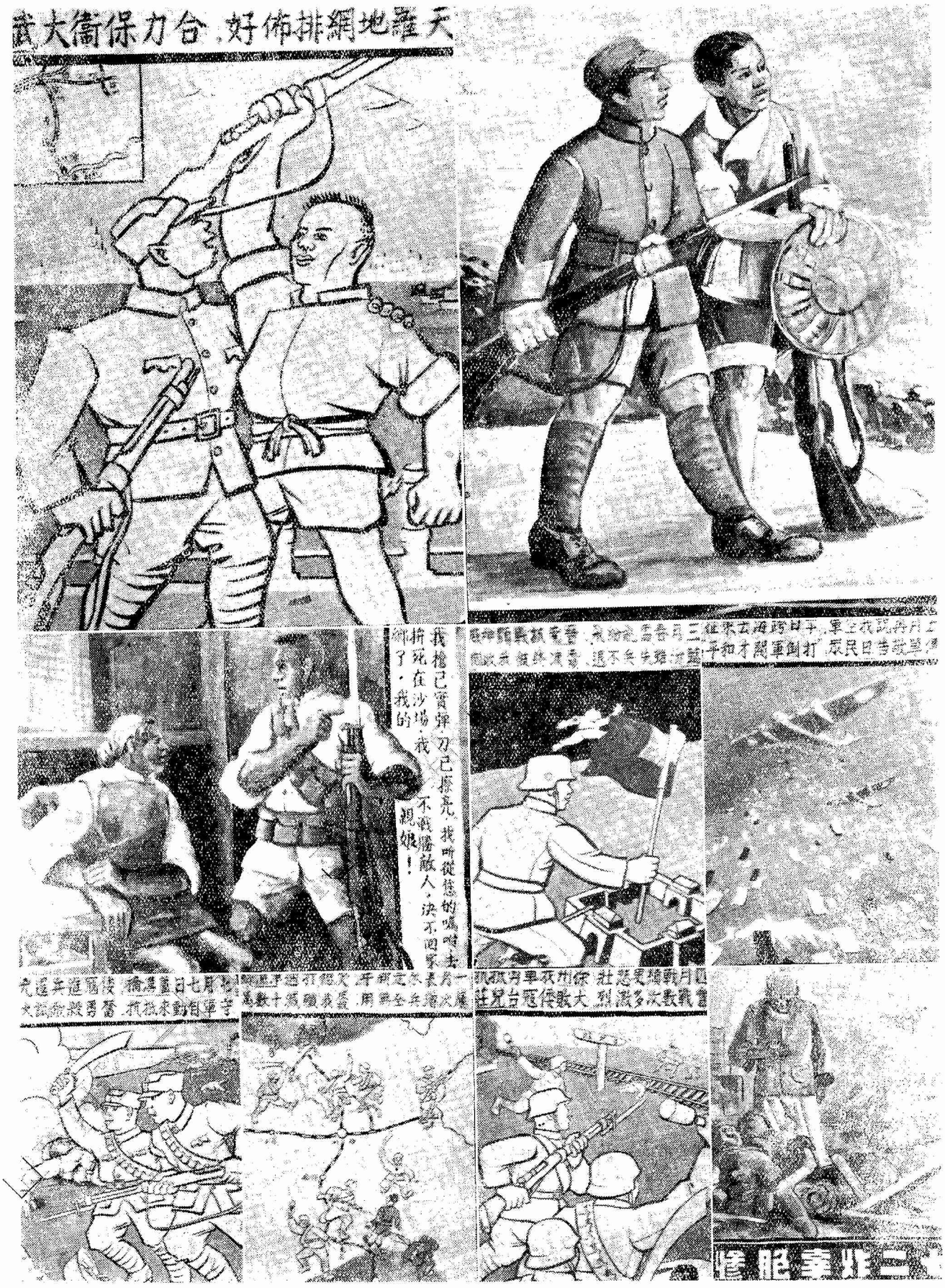
(The committee begs to announce that owing to the fact everybody is being fitted with gas masks, England will be unable to participate, and even if she did so, her participation would be entirely verbal.)

America:

(We've got trouble enough, but if it can be made costly enough Washington may enter.)

H. I. Phillips in the St. Louis Globe-Democrat.

THE CARTOONIST'S PART IN CHINA'S STRUGGLE



China's militant cartoonists are busy with brush and paint as China's war with Japan stretches from one month to another. The Wuhan area, which includes the cities of Hankow, Wuchang and Hanyang are literally plastered with posters depicting China's struggle. Everywhere, they arouse great interest as crowds to collect to view this new type of art—the outgrowth of war. In the two upper photographs are shown soldiers defending Wuhan, June, 1938, and the "Masses and Soldiers Unite in Effort to Resist Japan." The three center pictures depict the following sentiments: "A Soldier bidding Farewell to Mother before going to the Front;" the fall of Ling Fen, in Shansi, March, 1938; and China's leaflet bombing of Japan, May, 1938. Lower photographs show the Defense of Lukuochiao, July, 1937; repulsing the Japanese drive on the Tientsin-Pukow Railway, January, 1938; the Taierchwang victory, April, 1938 and bombing of Wuhan, July 12, 1938.

86-027

Szechuan's Chungking, New Capital for China*

CHUNGKING, the most important commercial centre of the south-western part of China, is now the provisional capital of the Chinese Republic. A large number of Government offices are located in various parts of the city.

The city is enveloped by ranges of mountains, far away from the war zones. It is situated at the mouth of the Chialing River and overhangs the most strategic part of the Yangtze. The Chialing River divides the city into two parts, each surrounded with a wall. The street that leads from the river bank to the city has a flight of over 300 stone steps. The street is always thronged with people, presenting a picture of jostling animation.

Since the removal of the capital to Chungking, the population of the city has increased by 13,000. In this city, one can observe scenes of different centuries. The small factories in which primitive instruments of production are employed exist side by side with modern banks whose buildings stood over seven stories high. When one enters the city, the things that greet one's eye are the sedan-chairs carried on long bamboo poles, the train of water-carriers, and the monks. To one who has been to Shanghai, Nanking and Hankow, Chungking indeed appears to be a place of antiquity, but when one sees the long posters made of native cloth and stretching overhead across the streets, posters on which were written slogans calling the people to support the nation, one forgets its antiquity and is reminded that it is a Chinese city of the present day. The well newspapers put up by the National Salvation Association always attract a great crowd of people. Now and again, the traffic would stop, the hurly-burly would cease, when troops, equipped with machine-guns march through the streets.

At the appointed hour, I called on the Officer in Charge of the Szechuan Headquarters of the Military Affairs Commission. He told me how much the Szechuan troops contributed in the recent war and how the war was reflected in the life there.

Abundant Man-Power

Besides sending regular troops to the front on the order of the Central Government, the Provincial Government, the Provincial Government has already called up 150,000 volunteers for military training. Their course of training will soon be completed. Should the war continue, the Szechuan Province alone could without difficulty call up 6,000,000 troops into service.

The Szechuan people have also brought 17 million dollars, worth of liberty bonds and contributed over one million dollars to the armies. Most of the contributions are in the form of gold and silver.

Szechuan is a very wealthy province. The plan for its development occupies an important place in the Programme for the Exploitation of the South-West, so much talked of three years ago. The war has accelerated the execution of this Programme. For instance, the transport system, so vital to the interests of the Province, has now been greatly improved. The new motor roads to Changsha (capital of Honan) and Kweiyang (Capital of Kweichow) were opened for traffic shortly before the outbreak of hostilities, but they have not been made full use of until recently.

The Chungking-Changsha highway is 1,300 k.m. long, which was crudely completed last June, and at present a lot of work is being done on the line. From the technical point of view, this highway is an example of modern road-engineering. Permanent bridges are now being erected to replace those built for temporary use. The first railway in the Province is now also under construction, which is to link Chungking and Chengtu. It is 550 k.m. long. It is only due to the delay in transit of foreign machinery that progress in its construction is retarded. Navigation on the Yangtze and the Chialing River is also being improved. Since the occupation of the lower Yangtze by the Japanese Navy, the greater part of Chinese boats and junks have moved to the upper course of the river. These vessels are now plying between Hankow and Szechuan, carrying cargoes.

Great hopes are entertained of the mineral wealth of Szechuan. There are great prospects for the development of mining in coal, iron, copper and petroleum and of the production of salt. Many rich coal deposits in the province have never been fully exploited since their discovery. According to a responsible official, it is planned that the coal output in Szechuan will be reserved for the use of the steam boats navigating the Yangtze, and for the industrial enterprises in Hankow. Salt is obtained with very little expense, and if large-scale exploitation is carried out, the produce will be sufficient for the consumption of the whole country.

Recent investigations have also revealed that Szechuan is possessed of large oil deposits that can be used for industrial purposes. Two oil-fields have been discovered, one in the north-eastern part of the Province and one in the east of Chungking.

The war for the liberation of the Chinese race has also given a spur to the industrial development of the province. The area of cotton and wheat plantation has been increased during the recent seed-planting season. Officials have been sent to the farms in Sikang Province and other places to collect animal hairs for the use of the soldiers.

Educational Institutions

Outside the city, by the bank of the perilous Yangtze, which is thickly wooded with bamboos, stands the Chungking University. It has been established for barely seven years. There are three faculties with about 700 students. There is no foreign member on the teaching staff. The students did not go away during the vacation; they all stayed behind to receive military training. About 100 students took up shooting practices while many joined the first-aid classes. The training started in the morning. The hall and class-rooms were occupied by the students and the whole university presented an atmosphere of youthful promises.

By the side of this university, there is the Central University of Nanking, which has recently removed to Chungking. There are seven other educational institutions moved to Chungking from Shanghai and other places involved in the war. During the holidays, the students spend whole days in military training, preparing themselves for work on the battle front.

When I returned to the city by car along the Chungking-Chengtu highway, I saw a long file of new recruits. There were young peasants; many were bare-footed, with a piece of cloth wrapping round their heads, serving as a hat. They were marching towards the city. The first group was military instructors; they were returning from the villages with the new recruits, who were now chatting with one another animatedly and following eagerly behind their instructors.

A great number of small boats lined up the river bank. They were unloading machinery parts, completed machines and motors. Over 15,000 tons of machinery has recently been shipped here. This is due to the removal of great industrial enterprises in Shanghai to this place. New industries are also under preparation in Chungking. Last week, the whole equipment of the Nanking Motion Picture Studio was shipped here by small boats.

Large areas outside the city are being cleaned up to accommodate the new factories. The large cement factory by the river bank is now busily operating. The power of the electric power plant will be shortly increased from 3 million kilowatts to 12 million kilowatts, and a new electric generator is already working.

The provisional capital has now become the most important industrial centre of China. It is the economic stronghold of the Chinese war of national liberation against Japanese aggression.

Condensed from an article by Rogov, in Pravda, Moscow.

CANTON'S NEW LEVIES PREPARE FOR JAPANESE INVASION

Imminence of a Japanese invasion of South China—Chinese recruits at Canton receiving special training in anti-aircraft defense and use of hand-grenades.

Japan Has Only Slender Grip on Four Provinces

IN the following reports received on the conditions now existing in the provinces of Hunan, Hupeh, Kiangsu and Shantung, it is shown that Japan only maintains a slender grip on these China areas occupied by their armies. Nipponese troops are facing a militant Chinese rear line who are at the moment, and in times to come, will give Japan no rest.

Hunan

The general who commanded the Chinese fighting forces in the two Shanghai wars is now at the helm of one of China's main man-power reservoirs.

As chairman of Hunan Province, home of some of China's best trained soldiers, General Chang Chih-chung finds his hands full with the weighty task of putting the 22,000,000 people of Hunan on a war basis. From the training will in the general's estimate, emerge a new fighting force of at least 5,000,000 reinforcements.

Tens of thousands have already marched from Hunan to various battlefields since war began. They constitute part of the 1,000,000 men in Hunan who have completed their military training since the outbreak of Sino-Japanese hostilities.

The speed—1,000,000 soldiers in ten months—has been accelerated since General Chang took over the reins of affairs in Hunan Province last December. Now every district, city, town and village has become a training center for servicemen. Hunan has also become a training centre for officers. The Changsha Branch of the Military Academy was one of the numerous undertakings started by General Chang last year.

Kiangsu

Chinese administrative machinery is functioning normally in northern Kiangsu, 65,000 square miles in area, which is bounded by the Yangtze River on the south, the Lunghai Railway on the north, the Tientsin-Pukow Railway on the west and the sea on the east, according to a recent arrival in Hankow.

In this "bottled-up" territory exists a wartime Chinese local government with General Han Teh-ching, commander of the 89th Chinese Army, as its head. He directs all powers, military and political. The 50,000 men under him, together with some 100,000 armed peasants, have been engaging the Japanese in a relentless warfare, tearing up enemy communication lines and launching surprise attacks on isolated garrison units. A veteran soldier, General Han is 46 years old, tall and heavy-set. He is a graduate of the Paoting Military Academy, which before the establishment of the Whampoa Military Academy in Canton more than ten years ago, was the leading army college in China.

The Chinese Government could have made no better choice than in assigning General Han to the onerous task of carrying on war and civil administration in the northern Kiangsi area, for he himself is a native-born son of Szeyang, a district famous throughout the centuries for its good soldiers. General Han's headquarters is in Hwaiying, southeast of Hsuchow, from which he directs his soldiers in incessant hostilities against the invaders. In his domain, which is in constant wireless contact with the Central authorities in Hankow and Chungking, General Han has worked out a comprehensive mass mobilization scheme. All able-bodied men have been given military training and as about 200,000 rifles were available in the province, only organization was necessary.

Mobile warfare which has stood the Chinese in a good stead in various parts of the country, especially those behind the Japanese lines, has also been effective in northern Kiangsu. General Han is the commander-in-Chief of all armed aforces. With the exception of Nantungchow, Yangchow, and a few cities along the Grand Canal and the Nantungchow-Fowning highway, the Chinese are in control of all outlying districts. Even in the occupied areas, the Japanese are scarcely found one mile beyond the city walls.

Shantung

Japan's grip in Shantung as in other parts of China now in their hands is extremely slender. Their sphere of effective control does not extend beyond the glitter of their bayonets even in the few cities and towns along the principal arteries of communications which they have occupied, let alone the outlying districts.

A Chinese agent, having travelled extensively in disguise along the Tsinan-Tsingtao Railway and various highways, recently returned to Hankow to report that the Chinese flag is still flying in at least half of the 108 counties in Shantung—regions in which no Japanese soldiers have ever set foot. Chinese guerillas have recovered a large number of once-fallen districts. The farmers supporting these mobile fighters have obliterated many sections of highways and turned them into farmland. This has effectively prevented further inroads by Japanese soldiers.

According to the traveller, the highways linking Yitou (Tsingchow) and Lingyi (Lini), Weihsien and Chucheng have been destroyed in this manner, thus considerably impeding Japanese troop movements. During the Battle of Hsuchow, the invaders had to send their reinforcements nad military supplies chiefly through the Tsinan-Tsingtao Railway and the Shantung section of the Tientsin-Pukow Line. The only highway still in good condition is that between Kaomi on the Tsinan-Tsingtao Railway to Lingyi (Lini) in southern Shantung via Chucheng. Heavy army trucks moved back and forth along this road but often they were intercepted by Chinese guerillas who lurked in mountains awaiting their chances.

The agent said that there were only about 2,000 Japanese soldiers in Tsinan and over 1,000 Japanese marines in Tsingtao. In every town along the railway between the two cities, the Japanese kept a garrison of about 300 men. With the exception of small squads guarding railway bridges, the Japanese soldiers mostly stayed inside walled cities and towns. They dared not to sleep in the night-time for fear of sudden sorties form Chinese guerillas.

In many places, the traveller found the Japanese inside the cities with Chinese troops controlling the surrounding areas. At Yitou for instance, Chinese guerillas were within a mile of the city wall. The guerillas numbering between 80,000 and 100,000 are well organized and equipped. They are directed by a high commander who has his headquarters somewhere in the mountains north of Taierchwang.

The Japanese troops the agent saw in Shantung were not well equipped. On an average, only seven out of ten of them have rifles, and about half have steel helmets. Along the Tsinan-Tsingtao Railway, the Japanese have made it almost a daily routine to move forces from one place to another and back again with the obvious purpose of mis-leading the Chinese forces with regard to their actual strength and positions. Once a Japanese artillery unit came to Weihsien, carrying eleven guns. The half starved horses which pulled them gnawed away the straw covers. Imagine the embarrassment of the Japanese soldiers when the guns thus exposed were actually made of wood.

The morale of Japanese troops in Shantung, according to the traveller, was exceedingly low. Last April the Japanese mustered every available man for the Hsuchow struggle. When the Itagaki troops were called from Shansi, they were given to understand that from Tsingtao they would board steamers for Japan. So when they reached Tsingtao most of them bathed, discarded their lice-infested uniforms, had haircuts, all set for home. All of a sudden, they were ordered to southern Shantung. About 300 of them mutinied and were summarily moved down by machine-guns.

Cases of Japanese soldiers taking their own lives have been increasing. Not long ago twenty of them entered into a suicide pact in Tsingtao and hanged themselves on trees all in one night. The despondency now gripping many Japanese soldiers may be evidenced from the following story told by the Chinese narrator.

A Japanese junior officer, who before he was drafted into the war was a professor of agriculture in Hokkaido, one day met a Chinese who had studied in Japan. He suggested a tete-a-tete for that evening. Under the circumstances the Chinese had to concede. The Japanese came. As the night lengthened into the wee hours of the morning, the two were still talking. Suddenly he said: "China has a future but not Japan. Your country may be exhausted before my country. But China can get up again, while Japan will be downed permanently. China has two powerful allies in Time and Space. Both the duration and the front of the war have proved much too long for Japan." The same collapse of discipline as witnessed in Nanking and other occupied areas was observed in Shantung. Everywhere they went, the Japanese looted, burned, killed and raped. The travellor figured few Chinese women and girls along the Tsinan-Tsingtao have escaped molestation by the Japanese soldiers at one time or another.

Hupeh

Chinese middle school graduates, or those possessing equivalent qualifications are exempt from enlistment for active service. But instead, they are given highly useful work to perform in the rear. This measure is embodied in the Chinese Conscription Law, which strives to preserve the country's educated youths for other wartime purposes than actual fighting.

China's Conscription Law was promulgated in June 1933, and was amended in March, 1935. It was to have been put into effect on March, 1936. But on account of the incompletion of certain pre-requisites, such as the taking of census, application of the law has been postponed.

Military service, as specified in the law, is divided into two kinds. One is the national service and the other regular service. National service signifies a general requirement for a period of military training for all male citizens, while regular service represents active service in the army and service as reserves as well. According to the law, all male citizens, between the ages of 18 and 45, except those serving in the regular army, shall be drafted into the national service, subject to the call to the colours at time of war by orders of the government.

The regular service is divided into three categories: active service, first reserve service, and the second reserve service. It is specified that all able-bodied male citizens between the ages of 20 and 25, shall be enrolled by lot in active service. This lasts two or three years according to the branch of service. After the period of active service, they pass into the first reserve for six years. The remaining period of service is passed in the second reserve. As a measure of respecting China's age-old custom of filial piety, the law excuses eldest sons from active service in the army.

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Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

July 23.—Under cover of heavy aerial and naval bombardment, detachment of Japanese troops reported landed in vicinity of Kutang, near the northwestern end of Poyang Lake, about seven miles below Kiukiang; landing seen as move of impending attack on Kiukiang. Chinese shore batteries active, prevented further landings. Situation at Kiukiang remains quiet, although firing audible in city. Kiukiang and vicinity severely bombed by Japanese planes. Nanchang, Kiangsi capital, also bombed.
Nine Japanese warships arrived in Shanghai harbor, waiting for orders to proceed to Kiukiang war zone; frequently reported Japanese "big push" up Yangtsze imminent.

July 23.—British and American Embassies will soon be moved from Hankow to Chungking, according to information from diplomatic circles in Shanghai.

July 23.—Gen. Chiang Kai-shek cabled appeal to "World Coneference Against the Bombing of Open Cities" held at Paris, urging that world opinion be mobilized against indiscriminate bombing of defenseless Chinese cities by Japanese airplanes.

July 23.—War operations in Shansi checked by heavy rain; large areas in North China flooded as result of overflowing of various rivers. Yellow River continues to rise; Kaifeng, Honan capital, threatened.

July 23.—Foreign investments in China, amounting to some U.S.$800,000,000 believed distroyed as result of Japanese hostilities in China, according to booklet entitled "Japan's War on Foreign Business in China," published by the **China Weekly Review.** Total foreign investments at the start of the war estimated at U.S.$3,500,000,000, of which about one-fourth lost.

July 23.—Japan bought during June U.S.$1,710,049 worth of airplanes, China U.S.$1,236,020, and Soviet Russia U.S.$157,710, according to statistics released at Washington.

July 23.—Sir Geoffrey Northcote, Governor of Hongkong, returned to Hongkong after brief visit in Canton, during which he called on Gens. Yu Han-mou and Wu Te-chen and inspected scenes of Japanese air-bombing.

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July 24.—Japanese drive on Kiukiang in full swing; Japanese troops landed at Kutang, seven miles below Kiukiang, reported advancing towards the city in two columns. Meanwhile, Kiukiang subjected to most intensive aerial bombardment, squadrons of Japanese planes bombing city continuously all day. Some 200 bombs dropped in and around Kiukiang yesterday according to foreign report, which added that the British Asiatic Petroleum Company and Standard Oil Installations, situated three miles below Kiukiang, hit and damaged during bombing. Ichang, Yangtse city above Hankow, also bombed by Japanese planes (July 23).

July 24.—Ministry of Foreign Affairs will be moved from Hankow to Chungking; Dr. Wang Chung-hui scheduled to leave for Chungking July 30.

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July 25.—Kiukiang shelled by Japanese warships; vanguards of Japanese troops said only 3 miles southeast of city. Chinese claim Japanese are using nine divisions totalling some 200,000 men in drive up Yangtsze River with Hankow as objective. Landing of more than a Japanese division at Kutang, southeast of Kiukiang, admitted in Hankow. About 3,000 Japanese troops reported also landed on western shore of Poyang Lake.
All foreigners at Kuling mountain resort ordered to evacuate, as hostilities are expected to spread to that sector. Refugees, mostly British and American missionaries, told to travel either overland to Changsha or aboard British and American warships three miles above Kiukiang.
Oil installations of the Standard-Vacuum Oil Company and Asiatic Petroleum Company in Kiukiang said undamaged during Japanese air raid on Kiukiang, as previously reported. Fleet of eight Japanese warships which recently arrived at Shanghai from Japanese waters sails up the Yangtsze for Kiukiang war front.

July 25.—Large bodies of Japanese troops in south Shansi reported withdrawn towards the east, setting fire to villages and towns in the wake of their withdrawal: Chinese circles believe these troops may have been transferred to Yangtse front. Several cities in south Shansi reoccupied by Chinese.

July 25.—Horrible massacre of women and children in South China by Japanese airbombers described by Hessell Tiltman, correspondent for London **Daily Express,** who arrived at Shanghai from Canton. "This is not a war, but a murder," declared Mr. Tiltman in interview with **The China Press.**

July 25.—Li Kwang-zung, native of Hupeh, who failed in his attempt to assassinate unidenlified Chinese traitor serving as inspector of the Japanese-sponsered Salt Gabelle, was shot and killed by Shanghai Municipal police detective, J. Y. Hillhouse.

July 25.—Resolution providing for boycott of Japanese goods, action to prevent delivery of war materials to Japan and urging the granting of credits to China, was passed by the "International Peace Conference" now in session in Paris.

July 25.—Chinese community in Manila contributes 1,000,000 doses of cholera vaccine to Chinese Government, to be shipped to China within two weeks.

July 25.—Some 700,000 people in Honan rendered homeless and destitute as result of Yellow River floods, states Chu Ying-kwan, vice-Chairman of the War-Time Relief Commission, who just concluded an inspection tour of flooded region.

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July 26.—Japanese announce capture of Kiukiang, strategic Yangtsze port city; Hankow says fall of city unconnrmed, but admits heavy fighting proceeding and situation in city critical. Kiukiang heavily bombed by squadron of 12 Japanese warplanes.

July 26.—One of the 30 alleged Chinese terrorist suspects, who had been arrested by the Municipal Police, of the International Settlement, was handed over to Japanese authorities yesterday (July 25). The man was alleged to have been connected with the July 7 bombing. Police action in holding prisoners without trial is violation of Mixed Court Rendition Agreement, which requires that any man arrested for any crime must be brought before the First Special District Court to be dealt with within 48 hours of the arrest. Officials of Police department contend that the handing over of the Chinese suspect to the Japanese is authorized under terms of the recent emergency regulations issued by the Shanghai Municipal Council on its own accord. So-called "Emergency Regulations" threating to "hand over" terrorists to Japanese also probably illegal.

July 26.—Fresh border clash between the Soviet and "Manchukuo" troops reported. Fifty Soviet soldiers alleged by Japanese to have crossed into "Manchukuo" territory in vicinity of Shaopaling hill, near Hunchun, yesterday (July 25), but were subsequently driven out by "Manchukuo" border patrols.

July 26.—Dr. Hu Shih, well-known Chinese scholar and philosopher, arrived in London from the United States for lecture tour of British Isles; will present China's case in present hostilities.

July 26.—Termination of Anglo-Japanese Trade Agreement of 1911 suggested in British House of Commons, according to London report.

July 26.—Kiang Hung-chih, former Chinese Consul-General at Yokohama, joined Nanking "Reformed" Government as "Minister of Communications," which post was previously held concurrently by Liang Hung-chih, head of the regime.

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July 27.—Huge fires raging in Kiukiang, following withdrawal of main Chinese force toward southwest, where they have formed new defense line. Large Chinese reinforcements rushed into Kiukiang sector to check further Japanese advance along south bank of the Yangtsze.
Fall of Kiukiang officially admitted in Hankow. Chinese defence now centered on Tehan, strategic railway town between Kiukiang and Nanchang.
Twenty-five foreigners residing in Kiukiang reported safe.
More difficulties expected in Japanese attempted advance up-river from Kiukiang toward Hankow because stronger booms and thicker mine fields are likely to be found in that area, according to Rear-Admiral Kiyoshi Noda, spokesman of Japanese Navy Office in Tokyo.

July 27.—Chinese troops in eastern Honan reported to have crossed Yellow River flood waters and reached outskirts of Kaifeng, capital of Honan.
On west Shansi front, Chinese troops continue attacks on Japanese forces holding out within the Linfeng sector. Chungyang and Lishih beseiged by the Chinese.

July 27.—Chinese National Government protests to British and American Governments against the handing over of Chinese accused of terrorism to the Japa-

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nese authorities by the Shanghai Municipal Police, as action constitutes violation of Shanghai Mixed Court Rendition Agreement.

July 27.—Two bomb throwing incidents occurred in Nanking on July 25 and as a result ten Chinese suspects were arrested by the Japanese gendarmes, according to report in Japanese papers in Shanghai.
Offices of the "Ministry of Interior" and Nanking "Municipal Administration" were scenes of attack.

July 27.—Sir Archibald Clark Kerr, British Ambassador to China, arrived at Changsha (July 26) from Hankow. Departing for Kweilin, Kwangsi, Sir Archibald will travel to Canton en route to Hongkong and Shanghai.

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July 28.—Japanese troops launch furious attack on Chinese positions at Taihu, in southwestern Anhwei. Japanese detachments at Wankiang, on north bank of the Yangtsze, opposite Matang, also striking westward along the river in attempt to attack Susung, on Anhwei-Hupeh border.
Japanese claim Taihu captured July 27.
Japanese aircraft bombed (July 27) Yochow and Changsha, capital of Hunan.
After 10 days of severe fighting, Chinese troops recaptured Tungtai, in Northern Kiangsu; Japanese troops withdrew to Jukao.
Tsiyuan, on nothern bank of Yellow River, in northern Honan, recaptured by Chinese troops.

July 28.—Evacuation of all Chinese Government and civil offices from Hankow for Chungking to be completed by August 3.

July 28.—Peter Prevot, Hongkong-born British subject, who had been detained by Chinese authorities at Wuchang on charge of being engaged in espionage activities on behalf Japanese, and subsequently pleaded guilty to the charge; British Consul-General at Hankow, ordered Prevot deported from China; departed for Hongkong by air.

July 28.—Following severe fighting with large detachment of Japanese troops who succeeded in landing on Namoa Island, off Swatow, Chinese guerillas on the island have withdrawn into the mountain fastnesses. Japanese set fire to civilian houses on island.

July 28.—Furnitures and other valuables of the Shanghai residence of Gen. Wu Te-chen, chairman of Kwangtung and formerly mayor of Shanghai, removed and home looted by the Japanese. Gen. Wu's residence located at 464 Avenue Haig.

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July 29.—Important successes by land forces on north bank of the Yangtsze and also in air-bombing Japanese warships in vicinity of Hukou claimed by Chinese forces. Chinese troops at Taihu reported inflicting over 1,600 casualties on Japanese forces by artillery bombardment. Seven Japanese warships claimed to be hit and damaged by Chinese airbombers near Hukou yesterday (July 28), according to communique issued by Chinese Aviation Headquarters.
Heavy fighting proceeding south of Kiukiang, near Kuling. Japanese reports allege that Chinese casualties during three-day fighting culminating in fall of Kiukiang estimated at 20,000.
Foreign reports from Tsingtao state that Japanese troops are being withdrawn from Kao-Tsi Railway in Shantung; also large withdrawal of military equipment from Tsnigtao during past few days.

July 29.—Twelve of the 29 alleged Chinese terrorist suspects detained by the Shanghai Municipal Police may be handed over to the Japanese authorities, according to report in **The China Press.**
Sergeant W. W. L. Hamlyn. British member of Shanghai Municipal Police allegedly assaulted by Japanese bluejackets at Garden Bridge, when he attempted to intervene in an incident involving British woman, Mrs. C. E. Lintilhac, who was roughly handled by Japanese guard.

July 29.—Clash lasting an hour between Japanese and Soviet troops occurred on Soviet-"Manchukuo" border, north of Changkufeng hill, according to Tokyo report.

July 29.—Dr. Wang Chung-hui, Minister of Foreign Affairs, departed from Hankow for Chungking by airplane.
Nelson T. Johnson, the American Ambassador, to leave for Chungking August 2, on U.S. gunboat.

July 29.—**Officials holding concurrent posts not permitted to** receive extra pay under any conditions, according to Gen. Chiang Kai-shek orders.

July 29.—New airline linking Chungking with Kunming, capital of Yunnan **to be inaugurated August 1.**

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July 30.—Driving westward along north bank of the Yangtsze, **Japanese forces are at present attacking Susung,** on Anhwei-Hupeh border, about 30 miles north of Kiukiang. About 10,000 Japanese troops said participating in attack. Japanese troops on south bank attempting to consolidate their position in vicinity of Kiukiang; fighting continues at the foot of Kuling mountain.
Entire trackage of Kiukiang-Nanchang Railway from Kiukiang to Tehan said to have been torn up in order to check possible Japanese drive on Nanchang, Kiangsi capital.

July 30.—Ministry of Foreign Affairs closes its Hankow office with departure of last batch of its staff for Chungking. The Executive Yuan staff has already left; Dr. H. H. Kung, the Yuan President, expected to leave August 5.

July 30.—Dr. Cheng Tien-fang, retiring Chinese Ambassador to Germany, was decorated by German Chancellor Adolf Hitler. Dr. Cheng will leave Berlin for China August 2.

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July 31.—Fighting on Yangtsze front shifted to north bank of river, where the Japanese are vigorously attacking Chinese positions in the hills near Hupeh-Anhwei border. Fighting especially severe at Taihu and Susung. Capture of Huangmei by Japanese denied in Hankow. On south bank, Chinese and Japanese troops facing at a station on Kiukiang-Nanchang Railway, south of Kiukiang; fighting is continuing near Kuling, where many foreigners marooned on mountain but reported safe. Situation in Nanchang tense, as war draws near; city almost deserted by civilian population.

July 31.—Japanese and "Manchukuo" troops, according to **Domei,** ousted Soviet troops which recently occupied Changkufeng and Shaotsaoping. Changkufeng claimed to have been reoccupied by Japanese: Soviet casualties estimated at 200; Soviet artilley shelled Japanese positions in Korea.
Tokyo tense but hopes for peaceful settlement of incident. News of renewed clash at Changkufeng aroused keenest interest in Hankow. Opinion differs as to possibility of war between Russia and Japan. Some think clash is "just another border incident" and may be settled diplomatically.

July 31.—Yen 15,000,000 Sino-Japanese firm styled as "Central China Electric Communications Company" formed at Shanghai for the purpose of operating and developing telephone and telegraph communications in Yangtse Valley Area.

July 31.—Great Britain's foreign policy is farsighted but most unrealistic. Germany's policy is realistic but shortsighted. Italy's policy is opportunistic and subject to frequent and sudden changes, while France's policy represents caution and wisdom. This is the opinion of the foreign policy of European powers expressed by General Chiang Po-li, who has just arrived at Hankow from Europe, whither he was sent by the Chinese Government as special envoy following outbreak of Sino-Japanese hostilities last year.

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Aug. 1.—Fighting on both north and south banks of the Yangtsze at standstill: Chinese troops holding strongly entrenched positions in hills south of Kiukiang and west of Taihu. Many Japanese gunboats and launches concentrated off Singtse, on western shore of Poyang Lake, which has been severely bombed; no Japanese troops able to land.
Wuhan authorities take measures to strengthen defence of the area. Some 200,000 civilians mobilized to assist in defence of Hankow.

Aug. 1.—Gen. Chang Chun, former Foreign Minister, now Vice-President of Executive Yuan, appointed concurrently Director of Generalissimo's Headquarters for Szechuan, Sikong and Kweichow Area with headquarters at Chungking. Gen. Ho Ying-chin, War Minister, to be dispatched to Canton to direct defences of South China.

Aug. 1.—Soviet war-planes bomb Changkufeng and Japanese military positions in Korea. Tokyo claims five Russian planes shot down. Two more clashes on Soviet-"Manchukuo" border reported prior to Soviet airbombing. Situation serious, but Soviet-Nippon war thought unlikely.

Aug. 1.—Sir Herbert Phillips, British Consul-General, protests to Japanese authorities against ill treatment of British subjects by Japanese servicemen in connection with incidents involving A. S. Hersee and Mrs. D. Lintilhac who were arrested (July 31) and detained by Japanese authorities for four hours, because of incidents on Garden Bridge.

Aug. 1.—Testifying to sound condition of China's finance, National Government made cash payments amounting to $51,233,500 to bond holders of five classes of Consolidation Loans.

Aug. 1.—Construction of Hunan-Kwangsi Railway completed, will be open for traffic on October 10, National Independence Day.

Aug. 1.—Father R. Jacquinot, French Catholic priest and well-known relief worker in Shanghai, returned from trip to the United States, where he solicited contributions for relief of Chinese war refugees.

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Aug. 2.—Taihu and Susung, towns on north bank of Yangtse, near Anhwei-Hupeh border, captured by Japanese. Vanguards of Japanese troops claimed to have entered east Hupeh and attacked Hwangmei, 15 miles southwest of Susung. Japanese report of capture of Hwangpei unconfirmed. On south bank of the Yangtsze, Chinese troops continue to hold positions along the Lushan Range, running from west bank of Poyang Lake, to Singtse.

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Aug. 2.—Unnamed British concern in London donates £1,000 for China war refugee relief, according to cable from Quo Tai-chi, Ambassador to Great Britain. Dr. C. T. Wang, Chinese Ambassador at Washington, reported tnat on July 7, Chinese residents in the United States contributed U.S. $100,000 for war relief in China.

Aug. 2.—Soviet troops launched counter-attack on Changkufeng and Shaotsaoping. Japanese reports claim attack repulsed. Fifteen Soviet war-planes bomb Korean border. Tokyo declared war with Russia would not cause Japan to alter her campaign in China.

Aug. 2.—Japan ships another $5,800,000 worth of gold to the United States; brings to $346,000,000 the value of gold shipped to America since March 24, 1937. To conserve supply of gasoline for war purpose, officials of Japanese government below rank of cabinet ministers forbidden to use motor cars.

Aug. 2.—Another slapping incident involving two Americans, A. Wilkins and H. Clark, occurred July 28, at Chefoo, according to reports received in Shanghai.

Aug. 2.—**Shun Pao**, leading Chinese newspaper in Shanghai suspended following withdrawal of Chinese troops last November, now published at Kweilin, Kwangsi. The paper was previously published at Hankow, but suspended yesterday (Aug. 1.)

Aug. 2.—Property damage at Nanking estimated of $246,000,000, according to survey made by Dr. Lewis S. C. Smythe, of Nanking University, in booklet "War Damage in the Nanking Area, December 1937 to March 1938", published under the Sponsorship of the Nanking International Relief Committee.

Aug. 2.—Chang Yu-ho, a Chinese, arrested on Shanghai Bund by the Japanese military on July 7 allegedly for bomb throwing, executed in Hongkew yesterday (Aug. 1), according to **Domei** report.

Aug. 2.—Nelson T. Johnson, American Ambassador to China, leaves Hankow for Chungking aboard gunboat **Luzon**.

Aug. 2.—Dr. Cheng Tien-fang, retired Chinese Ambassador to Germany, leaves Berlin for Copenhagen on return journey to China..

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Aug. 3.—Twelve Japanese planes claimed shot down by Chinese aircraft which intercepted a squadron of 70 Japanese machines heading for Hankow, according to announcement by Chinese Aviation Headquarters. As result only 23 Japanese planes succeeded in reaching Hankow. Chinese admit six of their planes failed to return to their base, two of which made a forced landing with the pilots wounded. Japanese claimed 32 Chinese planes shot down in combat.

Aug. 3.—Japanese troops said trapped in Hwangmei, eastern Hupeh Chinese troops withdraw to hills northwest of Hwangmei, which they abandoned because of the flooding of the area by the Yangtsze River.

Aug. 3.—J. T. C. Crawley, Briton, Commander of the Customs launch, **Chianghsing**, killed yesterday (Aug. 2) when six Japanese planes bombed the vessel at a point 36 miles below Hankow. Several Chinese members of the crew also killed, while launch was bombed.

Aug. 3.—Lull prevails on Changkufeng sector on Soviet-"Manchukuo" border; Russo-Japanese war generally believed unlikely, as Japan said determined to avoid war.

Japanese Kwantung Army deliberately created incidents on Soviet-Manchukuo-Korea borders because soldiers of that particular corps feared they would soon be sent to fight in South China, according to informed circles in Washington.

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Aug. 4.—Floods hold up large scale operations on both banks of the Yangtsze. Dykes along river collapsed 8 kilometers west of Wusueh, eastern Hupeh. As result, Japanese troops operating along Yangtsze may be compelled to retire. The districts of Hwangmei, Susung, Taihu, Tsienshan and Huangshan have been innundated, while Wusueh is completely under water.

Japanese airdromes at Anking, capital of Anhwei, bombed by Chinese airplanes. Japanese warships near Anking also raided. Two Japanese planes were shot down and one Chinese machine damaged in combat.

Aug. 4.—Chinese guerillas attack Japanese garrisons at Kiaochow and Chefoo, eastern Shantung, reportedly to have inflicted severe casualties on the Japanese. In southern Shansi, guerillas have destroyed more than 40 miles of tracks of the Tung-Pu Railway, south of Linfeng.

Aug. 4.—Gen. Yeh Ting, Communist military leader and Commander-in-Chief of the newly organized 4th Route Army, reported to have visited Shanghai, passed Japanese lines without being detected and arrived at an unnamed point on Shanghai-Nanking Railway to direct operations of Chinese guerillas in the Yangtsze Delta area.

Aug. 4.—Detachment of Japanese troops, reportedly carrying light-machine guns, forced way into the British Mission hospital Kwangchi at Hangchow yesterday (Aug. 3), and removed some 103 wounded Chinese soldiers who had been hospitalized there prior to occupation of Hangchow more than seven months ago. This information, suppressed by the Japanese in Shanghai, was picked up in news broadcasts from London.

HOW THIN THE OUTER COVERING

By Orr in Chicago Tribune

Aug. 4.—Despite repeated protests and protracted negotiations, the question of return to Americans of the University of Shanghai premises at Yangtszepoo by Japanese army remains at deadlock, according to officials of the American Baptist Foreign Mission Society, owner of the property.

Aug. 4.—Mamoru Shigemitsu, Japanese Ambassador at Moscow, proposed to M. Litvinoff, Soviet Foreign Commissar, peaceful settlement of the border clash in Changkufeng area. Proposal understood to be that Japanese troops withdraw from the disputed territory, on understanding that the Soviets do not re-occupy it and also that the neutral zone thus formed remains in existence until a commission is constituted to re-demarcate the frontier in the Changkufeng area.

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Aug. 5.—Severe fighting broke out again on north bank of Yangtsze southwest of Tsienshan. Despite severe pounding by Japanese artillery, the Chinese said to have stood their ground and repulsed repeated Japanese attacks. On the south bank, Japanese troops attacked Chinese line to the south of Kiukiang, between Shaho and Poyang Lake. Severe fighting also in outskirts of Hwangmei.

Aug. 5.—Chinese Ratepayers' Association lodged protest with the Shanghai Municipal Council against the handling over of Chinese suspected of terrorist activities in the International Settlement to the Japanese military authorities. Violation of the Mixed Court Rendition Agreement of 1930 charged.

Aug. 5.—Soviet warplanes again bomb Japanese positions in Changkufeng area and at Kojo, north Korea, as fighting renewed between the Japanese and Soviet troops. M. Litvinoff, Soviet Foreign Commissar, in reply to proposal for peaceful settlement of the incident by Japanese Ambassador M. Shigemitsu, insists on Japanese withdrawal from Soviet territory before cessation of military operations on border. Traffic on Sungari River closed by Soviet authorities.

Large bodies of Japanese troops leave North China for Manchuria, according to foreign reports from Peiping. Japanese troops on north bank of Yellow River also reported withdrawing northwards, presumably being sent to Manchuria as result of Soviet-Japanese clash on Manchurian frontier.

Aug. 5.—Chinese guerillas active in north Hopei, occupy nine out of 22 counties in north Hopei. Armed Peace Preservation Corps in many districts, belonging to the Peiping "Provisional Government," have joined the guerillas, thus increasing their strength.

Aug. 5.—Japan now controls all communications systems in North China (except shipping) with formation of the North China Telephone and Telegraph Company, capitalized at $35,000,000, on Aug. 1.

Aug. 5.—Dr. H. H. Kung, President of Executive Yuan, and Dr. Wang Chung-hui, Minister of Foreign Affairs, arrived at Chungking from Hankow..

86-032

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FOREIGN CORRESPONDENTS:

NEW YORK, LONDON, BERLIN, PARIS, GENEVA, OSAKA, AND HONGKONG

86-033

Guerillas Spelling Defeat for Japanese in China

A vast army of Chinese guerillas is now being schooled in the Shanghai-Hangchow-Ningpo Railway area, where able-bodied peasants are being instilled with basic political doctrines as well as rudiments of military tactics, authoritative Chinese sources reported this week. The present training program, these sources revealed, is being under taken simultaneously with a determined purge within the ranks of the mobile units in order to root out bandits who have been operating under the guise of *bona fide* guerilla bands.

Believing that guerilla operations along the Hangchow railway and in the Yangtsze valley will become increasingly useful as an instrument for severing Japanese communication and transportation lines, commanders of the partisans are now striving to bring about a more compact organization among their ranks, it was disclosed. They also feel that from a long-range standpoint, the training of guerilla recruits should be conducted much in the same manner as the schooling of regular army recruits. Chinese sources revealed that this new training policy is now being put into effect.

One of the units in which the recent re-organization has been pushed energetically is the Third Squadron of the Kiangnan Mobile Units of the Third War Area, which operates along the Hangchow railway, *The China Press* reported. Officers in command of the

PERPETUAL MOTION DISCOVERED

Il 420, Florence

guerilla operaitons in the Kiangsu-Chekiang areas have long left that in view of the importance of the railway in the Japanese army's strategy, partisan operations in this particular sector should be intensified.

Co-Ordination Lacking

Prior to the re-organization, investigators found that there had been a serious lack of co-ordination in transport, intelligence work and equipment. Furthermore, because of the loose-jointed organization, bandits had succeeded in operating on their own account, using the name of mobile units to shield their looting and relentless killings. This situation prompted the authorities to launch a determined program to place the set-up of this particular unit on a sounder and more "army-like" basis. Mr. Wang Chun-lin, veteran Kuomintang organizer, was placed second in command of the Third Squadron, holding at the same time the concurrent post of a special political officer.

With 40 young men, who are mostly students and recent college graduates trained in political organizational work, Mr. Wang started out on his perilous trip through Japanese occupied areas in Chekiang, arriving at Pinghu, on the Kashing-Chapoo highway around the middle of April. After establishing his headquarters in the countryside of Pinghu, Mr. Wang and his aides held repeated conferences with the leaders of the guerilla bands. It was revealed yesterday that many vexatious problems developed during these parleys which threaten to balk the projected re-organization program.

In many instances, the so-called guerilla leaders were nothing but former "bandit kings," to whom a thorough-going purge would have meant the loss of a useful "front," which they had been using for their own benefit. Other self-styled guerilla leaders had been "riding on the fence" as far as their loyalty was concerned. These people were unwilling to commit themselves unequivocally to the *bona fide* mobile units and wanted to continue to play the game from both ends with the Japanese. These obstructions to the "cleaning-up" program were finally overcome by Mr. Wang, who during the past three months has been successful in introducing many reform measures to remedy the organizational defects in guerilla bands, it was stated.

At the present time, the Third Squadron has been re-divided into 30 units, each with its own sector of operation. The zone in which the Third Squadron is assigned covers areas east of the Hangchow railway line, part the territory west of the railroad, as well as the various villages in Pootung. Headquarters which direct the operations according to the report, are located in and around Pinghu, Haiyien, Kashing, Sungkiang and Fengyien.

Flurry in Tsinan

Confirming previous reports of the Chinese military concerning a short-lived recapture of Tsinan, a correspondent for the *China Weekly Review* this week reported that on August 12, a guerilla band of 400 under Battalion Commander, Meng Chao Chin, said to be a commander in the 69th Route Army under Shih Yu-san, invaded Tsinan's antive city and hoisted the Kuomintang flag for a period of four hours.

The Chinese climbed over the city walls early in the day and after killing all the Japanese sentries, marched through the streets shouting, "We come not for occupation but for a demonstration of our accessibility to big and small cities under Japanese occupation," and "Chinese do not kill Chinese, except those traitors and puppets of the Japanese." Later, the correspondent said, the guerillas were driven from the city, but not before recapturing 100 rifles and recruiting 15 members of the *Pao An Tui* or Pacification Corps, backed by the Japanese.

The guerillas retreated to nearby hills and the Japanese, in their search for them, burned all the villages in the vicinity of the hills, causing the death of some 4,000 men, women and children. Their escape from the flames was prevented by machine-gun fire.

The report also said that more than 20,000 Chinese soldiers are 20 *li* from Tsinan to the west, and a greater number is to the north and south, awaiting orders to drive on the city. Interruption of the Tsinpu Railway to the north and south for four days due to the demolition of 100 *li* of track and the wrecking of bridges.

Guerillas in Hopei

The relentless activity of the guerillas in East Hopei province also threatens to disrupt railway communications between Peiping and Mukden. During the last few days in August, the track was damaged at least once daily between Tientsin and Shanhaikwan, with the trains in both directions running hours late while repair gangs try to keep pace with wrecking activities.

The latest wrecking by guerilla bands was carried out near Tangku Port, at Tientsin, August 25, when the track was removed and the trains were delayed for four hours. Late on the previous night, repairs had been made on similar breaks near Changli. In the Chinwangtao area, one train was derailed, but there were no casualties. Travellers report that at night the trains run without lights and the passengers are warned to lie down on the floor at the first sound of firing.

Near Tientsin, they report one wrecked plane near the railway track. It was not known whether it had been brought down by the guerillas, but a damaged car of an armoured train, in the same area, indicated that the guerillas were armed with more than machine-guns.

Pro-Japanese Official Shot

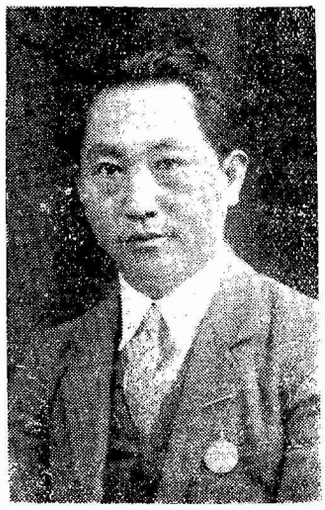
The latest victim of terorists, Chen Yun, 32-year-old lawyer and chairman of the Shanghai-Nantao District Administration, was hovering between life and death at the Paulun Hospital August 31 with a bad bullet wound in his abdomen. Doctors attending him conceded him an even chance of recovery, although he was reported to be in a critical condition. He was shot August 30. Chen formerly worked for O. Okamoto, former member of the Shanghai Municipal Council. He was also formerly a clerk in the employ of the Shanghai Municipal Council. He was recently prominently named for the post of president of the Nantao District Court.

NIGHT RAID AT CANTON?

Acme

This picture, showing a night air-raid at Canton, actually was taken in Chicago. It was the high point in an impressive display of fireworks arranged by the Chinese community in Chicago as part of their campaign to raise funds for war sufferers in China. The display, one of the most elaborate ever arranged, showed moving planes dropping bombs on a city. The picture was reproduced from the *American Observer*, Washington, D.C.

Who's Who in China



李蓋宇雲亭
Yuntin C. Li (Li Cheng)

Yunitn C. Li (Li Cheng), educator; born in Hopei, April 28, 1895; M.A., Ph.D. (Columbia); Director, Social Education Department, Ministry of Education, 1930-32; President, National Normal University, Peiping, since 1932; author of "A Study of the Organization of the American One-Teacher School" (1929 Chung Hua Book Co.), and various articles on People's Education; address: National Normal University, Sian, Shensi.

MONOCACY HAS CLOSE CALL AS WAR RAGES ALONG YANGTSZE

(Continued from page 15)

His appointment as secretary to the Premier also raised his ranking. He is now an official of the sixth rank. Having gone directly from secondary school to study in the United States where he remained for seven years, the younger Konoye is not well versed with Japanese political affairs. For this reason, his work at present chiefly consists in sorting mail and receiving interviewers. Observers suggest that his father probably hopes he will acquire a working knowledge of domestic Japanese affairs from his present duties.

Father and son ride to work every morning in the Premier's official car. After his 8 o'clock breakfast, the son reads all of Tokyo's Japanese newspapers and two English-language papers, before going to the office at 9:30. Although quitting time is very indefinite, depending upon the Premier's schedule, young Konoye usually has the evening to himself.

"When I settle down more securely, I should like to study the Soviet situation. I am more interested in foreign affairs," he told reporters.

The young secretary is taking a real interest in his work. He has little time for his favorite sport of golfing, except on weekends, but he is getting a judo instructor to come to his office for training in the traditional Japanese sport.

Asked about his father's health, young Konoye said the Premier has been in very good condition lately, adding: "But when conferences last five or six hours, such as the five-Minister sessions, I suppose it is a great strain on father. However, I get tired of waiting first."

Settlement Cholera Cases Decline

Cholera cases in the International Settlement reported to the Health Department of the S.M.C. during the week ending August 27 registered a heavy decline, according to the weekly health report issued by Commissioner of Public Health Dr. J. H. Jordan.

Cases reported for the period under review were 445, of which 65 per cent proved to be genuine cholera. All other cases, however, were summer complaints such as diarrhoea. During the week previous, 1,021 cases were reported to the S.M.C. Health Department of which 853 proved to be genuine cholera.

Deaths caused by cholera also registered a large drop during the past week, only 117 among Chinese being reported, as compared with 232 the week previous. One foreign death caused by cholera was reported during the week as well as well as three new foreign cases. As a result of the heavy decline in the number of cases during the past week, both in the International Settlement and the French Concession, health authorities are inclined to believe that the peak of the present cholera epidemic has been reached and that the epidemic is now on the downward trend.

With the advent of continued cooler weather, further decreases in the number of cases are expected during the next few weeks. The total number of Chinese deaths occurring in the Settlement during the week under review was 1,411. Foreign deaths in the same area and in the same period amounted to 17.

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In the United States Court for China

In the matter of the change of name of: RAYMOND A. KOWALSKI	Cause No. 4348 Special Proceeding No. 2227 NOTICE Field at Shanghai, China this 17th day of August, 1938. WILLIAM T. COLLINS Clerk

NOTICE

Notice is hereby given that Raymond A. Kowalski, an American citizen residing in China, has filed his petition in this Court praying for authority to change his name to Raymond A. Kowles.

Any person interested may, on or before September 4, 1938, offer and show to said Court why the said petition should not be granted.

WILLIAM T. COLLINS, Clerk

In the United States Court for China

In the matter of the change of name of MRS. THERESA KOWALSKI	Cause No. 4346 Special Proceeding No. 2225 NOTICE Filed at Shanghai, China this 17th day of August, 1938. WILLIAM T. COLLINS Clerk.

NOTICE

Notice is hereby given that Mrs. Theresa Kowalski, an American citizen residing in China, has filed her petition in this Court praying for authority to change her name to Mrs. Theresa Kowles.

Any person interested may, on or before September 4, 1938, offer and show to said Court why the said petition should not be granted.

WILLIAM T. COLLINS, Clerk
United States Court for China

In the United States Court for China

In the matter of the change of name of ALEXANDER G. KOWALSKI	Cause No. 4347 Special Proceeding No. 2226 NOTICE Filed at Shanghai, China this 17th day of August, 1938. WILLIAM T. COLLINS Clerk.

NOTICE

Notice is hereby given that Alexander G. Kowalski, an American citizen residing in China, has filed his petition in this Court praying for authority to change his name to Alexander G. Kowles.

Any person interested may, on or before September 4, 1938 offer and show to said Court why the said petition should not be granted.

WILLIAM T. COLLINS, Clerk
United States Court for China

86-036

Men and Events

David Fraser, correspondent for the *London Times*, has gone to Japan on vacation.

Dr. George Sellett, attorney and liquidator for the Raven interests, is in Hongkong on business.

M. R. Nicholson, U. S. Treasury representative in China, has gone to Washington on business. He will return to Shanghai early next year.

The German Government has banned the American magazine *Readers Digest*, according to a message by *United Press*. No reason was given for the action.

John Morris, manager in the Far East, for *United Press*, who has been in New York for sometime, is now in Tokyo and is expected in Shanghai shortly.

Wolfgang von Tirpitz, son of the famous German navy minister in the world war, Admiral Alfred Friedrich von Tirpitz, arrived in Japan on Aug. 26 on a months' visit.

Myron Wiener, attorney, member of the law firm of Rodger and Company, who has been in Hongkong for sometime on business, returned to Shanghai on a brief trip this week.

Prof. E. Kelhofer, treasurer and business manager of Shanghai University, has returned to Shanghai from a trip to the United States. He was accompanied by Mrs. Kelhofer.

Adolf A. Berle, Assistant Secretary of State, whose work was concerned with the Anglo-American trade negotiations, has resigned in order to return to his work at Harvard University.

Prince Louis Ferdinand of Prussia and his bride, the Grand Duchess Kyra of Russia, who have been traveling in Japan on a round-the-world honeymoon trip, have gone to Manchukuo.

Alexander R. Sharton, publisher of the New York *Journal of Commerce*, who is traveling in Japan and Manchukuo, told *Domei* last week that Japan should experience a "wave of prosperity after the war."

Katsuhiko Sogi, described by *Domei* as a "leftist agitator," who was killed in hostilities at Changho, Hopei province on Oct. 8 last year, was posthumously honored on Aug. 27 with the Sixth Order of the Single Ray of the Rising Sun.

According to *Kuomin* report from Nanchang, southern Anhwei province has produced a record crop of green and black tea which is now being exported abroad through the port of Wenchow in southern Chekiang.

Itsuo Goto, member of the staff of the Shanghai Japanese Consulate-General, will serve as Consul-General in the absence of Shinrokuro Hidaka, who was summoned to Tokyo "on an undisclosed mission," according to *Domei*.

The Yung Chong Match Factory, owned by O. S. Liu, located in the Pootung section was occupied by Japanese soldiers on August 23. The factory previously employed 1,000 workers but has been closed for sometime.

The National Government, at Chungking, on August 24, announced the appointment of Dr. H. H. Kung, Wang Shih-chieh and Hang Li-wu as additional members of the Board of Directors of the National Peiping Palace Museum.

The departure of the Soviet Consul-General at Seoul, Korea, for Moscow on leave, on August 27, was responsible for a rumor circulated by *Domei* that the Soviet Consulate-General in Seoul will be closed indefinitely.

Vernon Nash, member of the faculty of the School of Journalism of Yenching University at Peiping, is now at Columbia University, N. Y., where he is studying for a doctor's degree. His thesis deals with education for journalism. Mr. Nash has been in the United States for several months working with the Walter Williams Memorial Foundation, which was organized for the purpose of financing cooperative education in journalism on the part of Yenching and the School of Journalism of the University of Missouri.

A Japanese soldier, wearing his uniform, fell from a truck load of soldiers, which was passing along Kiangwan Road, on Saturday afternoon, August 27. A foreign resident, who was passing along the street, was amazed to see the Japanese soldier sit up, reach in his pocket, take out a knife and proceed to cut his jugular vein. The foreigner hurried up but was too late to prevent the man from killing himself. The truck in which the soldier was riding, stopped and officers investigated, but the man was dead. They then took the foreigner to their headquarters where he was detained for a considerable time and questioned about the incident.

A. M. Chirgwin, general secretary of the London Missionary Society, arrived in Shanghai this week from Japan. Mr. Chirgwin, along with J. S. Whale, Principal of Chesnut College, Cambridge, will represent the London Missionary Society and the Congregational Churches of Great Britain at the International Missionary Conference, scheduled to be held at Tembaram, near Madras, India, on December 17. Mr. Chirgwin will spend two weeks in Shanghai and is scheduled to speak at Union Church on Sunday, Sept. 4. Following his visit here he plans to visit stations of the London Mission in North, Central, East, South China and in Fukien province. He will be accompanied on the trip by the Rev. A. Baxter, Secretary of the China Council, who will also serve as a delegate to the Madras meeting.

The extensive employment of Koreans in Japan was indicated in a *Domei* report from Tokyo on August 29 stating that two dynamite explosions in plants of Japan Electric Company located in the Kurabe Valley had resulted in the killing of Korean laborers, six in one plant and three in another.

According to a *Tass* report from Moscow on Aug. 22, the Soviet Union now has 44,000 hectares of tea plantations in the province of Georgia. Tea harvested in 1937 amounted to 72,000,000 kilograms. It was claimed the quality was equal to that of the best Ceylon and China teas.

Some 500 Chinese students, boys and girls, staged a demonstration before the Chinese Consulate-General at Kuala Lumper on Aug. 23 demanding the release of two of their members who had been arrested by the Singapore authorities for subversive activities. The students have organized the Malayan Chinese Anti-Japanese Society.

The Chinese puppet organization which functions in the Shantung port of Chefoo has levied a tax amounting to $64 on a single case of 72-pints of beer imported from Shanghai. The tax is applied to all brands of beer excepting Japanese. The tax figures out at about 300 percent and makes it necessary to increase the retail price of Shanghai beer from the normal price of 60-cents to about $2.

Two delivery boys, employed by the *Shanghai Evening Post* and its Chinese edition, the *Ta Mei Wan Pao,* were severely beaten by a gang of eight Japanese soldiers in Chapei on last Sunday afternoon. The boys were named Hou Miao-zee, aged 23 and Tan Ching-chun aged 26. They were beaten with rifle butts, sticks and fists and one was jabbed with a bayonet. The delivery boys were riding bicycles which also were damaged by the Japanese.

The South Manchuria Railway will shortly remove its principal offices from Dairen to Mukden, leaving only a skeleton organization in Dairen. The Manchukuo Directorate-General of Railways, which is controlled by the S. M. R. also has its head office in Mukden. It also was reported that large numbers of Japanese workmen will be "loaned" to the subsidiary organization, the "North China Transit Company," which is operating the Chinese Government lines in North China.

T. L. Soong has been appointed manager of the newly organized Southwest Import and Export Bureau, which will attempt to adjust the transportation of native foodstuffs in Kwangtung-Hunan-Kiangsi provinces. Rice and salt produced in Hunan and Kiangsi will be transported to Kwangtung while sugar produced in Kwangtung will be shipped to Hunan and Kiangsi. Serious efforts are being made to develop native sugar refineries to replace the large refineries which were destroyed by Japanese airbombers.

Yoshimasa Yoshida, 32-year old actor and Miss Yoshiko Okada, 38-year old actress, who created a sensation in Japan last winter by fleeing across the border into Soviet territory on northern Sakhalin Island, will shortly appear in Soviet pictures, according to a report in the *Yomiuri Shimbun.* The Japanese termed the incident the "love border-crossing." The *Yomiuri* expressed the fear that any pictures the couple might appear in "would be flavored with propaganda."

Santiago Mendez de Vigo, Spanish Minister in Japan, who returned home in 1936 to join the rebel army against Madrid, is returning to Tokyo shortly as Minister of the Franco regime. Francisco Jose del Castillo, who has been Charge d'Affaires, representing Franco in Japan, has been transferred to the Spanish Embassy at Rome. Jose Louis Alvarez, representative of the Madrid Government, who was unsuccessful in attempting to hold the Legation, is still residing in Japan.

Paul Joseph Vallessuk, 80-years of age, who was a high ranking officer in the army of the Czar of Russia, died on Friday, Aug. 26 at the Country Hospital and was buried on Sunday at the Lukawei Cemetery. Mr. Vallessuk was a member of the Methodist Church and Shanghai Community Church. He is survived by the widow, a son William and a daughter, Antonia, all being residents of Shanghai. The service at the cemetery was conducted by the Rev. Carlton Lacy of Community Church and the Rev. Gouroff of the Russian Orthodox Church.

Miss F. H. E. Bartlett, of Irving, Ayrshire, Scotland, and Miss B. Huntamer, members of the China Inland Mission, who were in Kuling at the time of the Japanese occupation, managed to pass through both the Japanese and Chinese lines in safety, Miss Bartlett proceeding to Hankow while Miss Buntamer went to Nanchang. They first walked to Tehan and then proceeded at night to Singtze, which they reached and left, just before the Japanese attack. Miss Bartlett said the Chinese soldiers assisted them by carrying their baggage for which they refused to accept payment.

An expert German cameraman, Richard Angst, accompanied by a number of Japanese cinematographers of the Tokyo Takarazuka Moving Picture Studio, arrived in Shanghai about three weeks ago and proceeded up country to film a Japanese heroic picture which will be called "The Huangpu River," its purpose being to stimulate patriotism among the Japanese masses. According to the *Miyako Shimbun* the party was attacked by guerillas in the vicinity of Mihan and probably would have been killed had it not been for the German cameraman, who seized a revolver and shot down several of the Chinese. The guerillas finally retreated, according to the report, "leaving 30 dead on the field. The cameramen filmed the entire battle in which none of the party was hurt.

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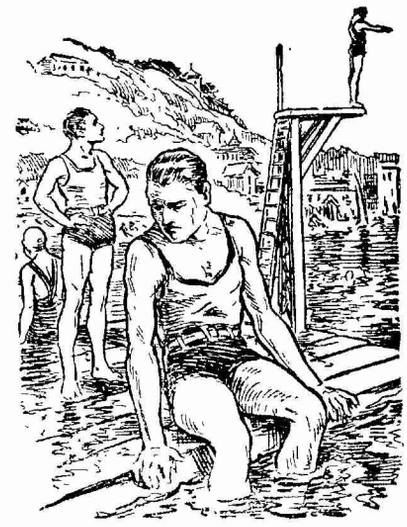

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86-037

An additional group of Austrian Jews, expelled from Vienna by the German Nazis, arrived in Shanghai on Saturday, Aug. 27, and are being cared for here by members of their own faith. This was the second group to arrive here, bringing the total number to about 30. They are in destitute circumstances as the Nazis confiscated their property and only permitted them to have the equivalent of about £1. Most of those arriving here were previously engaged in business.

Dr. Paul Cremona, correspondent in Rome for the *Christian Science Monitor*, resident of Italy for 17 years and dean of American correspondents there, was expelled from the country on August 21. The only reason given by the Italian authorities was that his presence in the country "was considered undesirable for personal reasons." As Dr. Cremona is a British subject, representations in his behalf were made by both the British and American Ambassadors, but without avail.

Shozo Murata, Japanese shipping magnate, chairman of the board of the Osaka Shosen Kaisha line, who is now in Shanghai, has donated the sum of Yen 10,000 to the social welfare fund of the Shanghai Japanese Residents Association. Mr. Murata came to Shanghai to investigate the business of the Japanese shipping company, Nisshin Kisen Kaisha, of which he is also president. The N. K. K. line lost many of its ships, which the Chinese used to build booms across the Whangpoo and Yangtsze.

Dr. A. Malval of the staff of St. Marie's Hospital in the French Concession at Shanghai, departed on Sunday of this week for Kashing, 80-miles distant on the Hangchow motor road, to attend Bishop Faveau of the Lazarist Mission who is critically ill, suffering from blood poisoning. A Chinese messenger came here with a note from Bishop Faveau asking that a physician be sent to him immediately. Bishop Faveau remained in Kashing throughout the Japanese bombardment which destroyed most of the city.

The Japanese authorities are exerting themselves to induce the Greek Government to recognize the puppet state of Manchukuo. According to recent report from Tokyo the Japanese and Greek Governments will shortly exchange ministers, and on August 27 it was announced that Emperor Hirohito would soon grant high decorations to Knapa Vassiliou, under-secretary of the Greek Navy and Constantin Mathopoulos, a naval official. The decorations will be conferred on the occasion of the visit of the Japanese naval training squadron to Greece.

Benigno Ramos, leader of the so-called "Sakdahl" party in the Philippines, who returned to Manila recently after exile in Japan for several years, was arrested on Aug. 28 "even before the vessel had docked." He was released later when friends, including some Americans came forward with a bond of U. S. $13,500. Ramos was arrested on two charges, rebellion and illegal association in connection with the 1935 uprising in which 80 persons were killed. It was alleged that President Manuel Quezon, who made a trip to Japan recently, had promised Ramos leniency.

According to a statement by Dr. Harry W. Miller, superintendent of the Wuhan Seventh Day Adventist Sanitarium, Japanese airplanes completely destroyed the clinic of the sanitarium located in Wuchang on August 12. The entire building, including medical and surgical equipment, ex-ray, dispensary, wards and offices were completely destroyed. Nine members of the staff were trapped in the wreckage but only two suffered severe injuries. Dr. Miller is internationally known as a specialist in the removal of gotier. He came to China 35 years ago and has been engaged in medical practice continuously. He is a native of Washington, D. C.

Allan John McClausland, a young Englishman, who is attached to Gen. Chiang Kai-shek's headquarters at Hankow, must wait three years before he can become a Chinese citizen. He has been in Shanghai for two years, and while the law requires a residence of 5 years prior to application for citizenship, he thought his connection with the Generalissimo's headquarters would cause the authorities to give him special consideration, but without success. Young McClausland became interested in China through studying Chinese language and literature at Oxford. His knowledge of the language is now so thorough that he edits a magazine, *The West Wind*, in Chinese. He wears Chinese clothes exclusively and always uses his Chinese name Ma Ping-mo.

H. Lawrence Groves, Chief of the Foreign Commerce Service of the U. S. Department of Commerce, departed from Washington for the Far East on August 27. After a brief stop in Japan, Mr. Groves will proceed to Shanghai where he will serve as Commercial Attaché in the absence of Julean Arnold, Commercial Attache, who is now home on leave. Mr. Arnold went home originally on six months' leave, but has since been given a further six months extension in order to enable him to complete some special work upon which he is engaged for the Department at Washington. Mr. Groves, who previously served as Commercial Attache at various posts in Europe, will probably remain in Shanghai for four or five months and then return home by way of Europe. A. Bland Calder, Assistant Commercial Attache, has been in charge of the Shanghai office since Mr. Calder's departure. Mr. Groves is accompanied by Mr. Arnold's and they will occupy Mr. and Mrs. Arnold's home while in Shanghai. According to report from Washington, Mr. Groves will make a special survey of the China market while here with the object of planning for a further expansion of American trade with China.

John Quincey Adams of Tsingtao, was married on August 25 to Miss Evelyn Myers of Seattle, the Rev. P. Anspach officiating. Following a honeymoon trip to Japan the couple will reside in Tsingtao.

The British East Surrey Regiment is scheduled to arrive at Shanghai on Sept. 7 to relieve the Durham Light Infantry, which is being transferred to Tientsin. The Lancashire Fusiliers, now in Tientsin will be transferred to India. The East Surrey Regiment is composed largely of Londoners.

H. L. L. Morriss, son of Mr. and Mrs. H. E. Morriss, has announced his engagement to Miss Susan Heathcote, daughter of Lt.-Col. R. E. M. Heathcote of Manton Hall, Oakham, Rutland, England. H. E. Morriss is chairman of the board of the *North-China Daily News*.

Brig. Gen. Frederick Barker, formerly second in command of the U. S. Fourth Marine Corps at Shanghai from 1931 to 1932, died recently in the United States, according to a message received at the Marine Headquarters here. Brig. Gen. Barker commanded the Marine Corps for several months in 1932 during the course of the Sino-Japanese hostilities, prior to the arrival of Col. R. S. Hooker.

A party of American women teachers, who have been traveling in Japan and Manchukuo as the guests of the Culture Bureau of the Tokyo Foreign Office, were each presented with a beautiful silk kimono by the Minister of Railways at a reception which he gave them on August 15. The teachers were then photographed while wearing the gift kimonos, following which they entertained the Minister with Japanese folk dances they had learned while in Japan.

Sabotage Charged to Chinese Miners

The Daily output of coal at the Kailan mines has been reduced 5,000 tons to about 11,000 tons as a result of sabotage carried on by Chinese coal miners aided by Chinese Communists, *Domei* reported August 11. The Chinese Communists were said to have smuggled themselves into North China under instructions from the Nationalist Government for the purpose of disturbing the peace. Japanese authorities are watching the situation closely, the reports said.

Tientisn Convicts Break Prison

Ten Chinese were killed by Japanese garrison troops following a daring attack by about 100 Chinese guerillas on the Prison No. 3 in the Chinese section of Tientsin on August 9. The attackers, overpowering the Chinese guards, succeeded in releasing 200 Chinese prisoners. Eighty Chinese, including both the assailants and convicts, were captured. The others are still at large, according to the dispatches.

Extensive Colonization Projects Pushed in Kwangtung Province

D. Y. Lin, Director of the Kwangtung Provincial Bureau of Agriculture and Forestry, reported that colonization work in the northeastern corner of Pok Lo Hsien, Kwangtung, is progressing satisfactorily. Some 300 refugees had been settled on 5,000 mow of land which was suitable for the production of upland food crops, including sweet potatoes, taro, beans and peanuts. Various types of homework had also been taught the refugees. An additional colonization project for refugees was also being developed in the Pok Lo area where thousands of mow of land had been found suitable for farming development. The land is supplied free, as also the seeds for the first year, the refugees being required to supply the labor. The most difficult problem, according to Mr. Lin, is to provide expensive fertilizers. The finances for the projects are being provided through the Kwangtung Provincial Bank.

Militant Labor Union in Japan Liquidated

Falling in step with national mobilization movements, the Transport Workers' Union in Tokyo with a membership of about 15,000, which has taken the lead in labor movements by staging general strikes of street car and bus employes many times, virtually was liquidated on the "alter of patriotism" August 26, *Domei* said. The militant organization was "tamed" as a result of the adherence of all its members to a more patriotic industrial federation and abjuring "class warfare."

The name of the Transport Workers' Union will be retained but its collective bargaining henceforth will be conducted through the Patriotic Industrial Club, of which they are now members, and which is affiliated with the Patriotic Industrial Federation.

Another Panay Hero Honored

Lieutenant Arthur F. Anders, hero of the bombing of the U.S.S. Panay by Japanese planes last December, was presented with the Navy Cross August 27 at San Pedro ,Calif. by Admiral Edward C. R. Kalbfus, Commander of the battleships of the U.S. Battle Force, aboard the U.S.S. Mississippi. Lieut. Anders was presented with the medal for "extraordinary heroism" in recognition of his gallant duties in taking over command of the sinking gunboat after Lieutenant-Commander J. J. Hughes, Commanding officer, was severely wounded.

86-038

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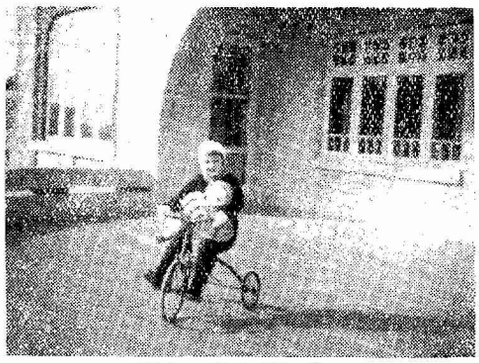
86-039

New Books of Interest in the Far East

"My Testimony"

The Poems and Verse of Betty Scott Stam. Kelly and Walsh, Shanghai, pp 129, $ 4.50.

As one reads this little volume of posthumous verses, the poignancy of the tragic passing of the author and her husband is accentuated. Not only was a life of great promise as a missionary and social worker brought to a close but one regrets, in the realm of literature, the loss of this young poet who had so great a contribution to make.



Helen Priscilla Stam

Recent picture of the daughter of the late Rev. and Mrs. John C. Stam of the Presbyterian Mission who were murdered in southern Anhwei province. The infant daughter was saved, miraculously, by a Chinese Christian pastor named Lo. Helen Priscilla is now living with her grandparents, the Rev. and Mrs. Charles Ernest Scott of Tsinan, Shantung.

The poems, themselves, are of great versatility both, as to subject and form. The early ones, beginning with the childish expressions of a girl of eight and a half, are often biographical, but give promise in their love of beauty and observation of nature, of the joy of living and keenness of feeling in the later ones. The delights of family life, the experiences as school girl, as composer of college songs and incidental poetry for plays, and later, the keeper experiences of the heart, all are here. Many show a keen touch of humor as in a stanza from "It is a Man";

"The child with straight hair wishes it would curl;
The man with seven sons desires a girl;
The girl with home and family wants romance;
While clumsy Hiram wishes he could dance;"

In the more recent poems the mystic quality is noticable, and the thread of the deeply religious sensibility of the author runs through many, as in "My Testimony";

"And shall I fear
That there is anything
That men hold dear
Thou wouldst deprive me of,
And nothing give in place?
That is not so,—
For I can see Thy face,
I hear Thee now;
'My child, I died for thee;
And if the gift
Of love and life you took from Me'
Shall I one gracious thing
Withhold to all eternity—
One beautiful and bright,
One pure and precious thing, withhold—
It cannot be'."

In the light of her tragic death, the little verse written December 1930 is particularly poignant;

"Nevertheless, Thy will is best;
Nevertheless, Thou lovest all.
The bird thou stirrest from her nest,
Thy wing prevents her fall."

The book closes with a series of Love Poems and if, at twenty-three, Betty Stam could have composed these Sonnets, we must mourn the tragedy that robbed the muse of this gifted follower. There are several longer poems but the brief ones already given and "Sonnet I," with which we close, give some idea of the treasures within the pages of this little book which her father and mother have so generously shared with the world.

"I think that you must like this little dress!
Though it is very dark and simply made.
Ere last I put it on, I felt afraid
You would not like me well, I must confess!
Feeling so very quiet, less and less
Could, had I wanted to, have then been gay;
Though you were present, nothing came to say.
You, versatile, were still as a caress.
We listened, both, to others all that hour:
My hands were folded on my lap, quite still;
You softly breathed, as though against your will;
We smiled at others when they laughed, until—
Something was said—Your joyous eyes with power
Surely drew mine as sunlight draws a flower."

M. C.

The Work of Rockefeller

The Rockefeller Foundation. Annual report, 1937.

The world's greatest philanthropic organization, the Rockefeller Foundation, carries on its work of bettering the position of mankind. In the 1937 report, a review of the work which has been made possible by gifts of John Davison Rockefeller, totaling U.S.$530,000,000, is given. Rockefeller died on May 23, 1937, but his ideal still lives. Rockefeller, during his life, gave U.S.$ 445,000,000 to establish four funds: The Rockefeller Institute for Medical Research, the General Education Board, the Rockefeller Foundation, and the Laura Spelman Rockefeller Memorial. In addition, he made individual contributions of approximately U.S.$ 84,000,000 for educational, religious, and charitable purposes. Since their founding, the four funds established by Rockefeller have expended a total of U.S.$645,000,000 in 88 different countries.

In connection with their work in China, the Foundation appropriated U.S.$394,875. The report noted that there was no interference with any of their activities as a result of military operations until after the end of June, and therefore, their report covers the work carried out before such interruptions.

They report that six of the eight major projects in which the Foundation was interested have been forced to leave the areas in which the work was being done. The only two exceptions were Yenching University in Peiping and the Chinese Mass Education Movement in Changsha, although in connection with the latter that part of the field work which was being carried out in Ting Hsien, Hopei, has had to be abandoned. The other institutions have been forced to proceed to Central and West China where they are in the process of re-establishing themselves and taking up in their new locations the work which was begun elsewhere. The report said that in no case has a project been discontinued, although the normal development of the work has been "rudely interrupted."

Aid also was extended to the Public Health Training Institute of the National Health Administration of China. The Institute entered 1937 with a new building for offices, classrooms, and laboratories, and a new dormitory building to house and train the rapidly increasing number of candidates for its courses in public health. During 1937, the Foundation appropriated to the National Health Administration of China toward the expenses of the Institute $140,000.

Other chapters in the report tell of work in the Medical Sciences, Natural Sciences, Social Sciences, work in the Humanities; Special Research Aid Fund for Deposed Scholars.

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